Daily Report

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NOTICE TO READERS: For three months beginning in November, material formerly appearing in the JPRS LATIN AMERICA REPORT will be published on a trial basis in the FBIS LATIN AMERICA DAILY REPORT.

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Group of 8 Presidents Sign Documents, End Summit

Alfonsin Addresses Opening

PY2810133088 Lima Television Peruana in Spanish 1319 GMT 27 Oct 88

[Address by Argentine President Raul Alfonsin at the opening session of the Group of Eight summit in Punta del Este, Uruguay—live]

[Text] Messrs presidents, ministers, ambassadors, Uruguayan vice president, officials, and gentlemen:

First I would like to say thank you for the welcome given us by the Uruguayan president. I would also like to add a few words to the concepts addressed by the Uruguayan president with regard to the essence of Uruguay. Uruguay has a simple democracy, a democracy that is expressed by proud men and women who cordially give their friendship, people who respect others and who want to be respected. This is an essential element with which to build democracy, and to work together as we are doing now, representing our people in another step toward the integration of our great people.

Those of us who share this table, who are proud to represent their people, and who have demonstrated their strength and faith in the struggle for freedom, know the feelings of the people of this young continent who are spreading democracy, law, and justice from one end of the continent to the other.

We also know that the effort for work and freedom creates an energy among men that leads to the search for peace and understanding with other people because only through joint efforts for the same objectives is it possible to look for a better future. Lasting democracy, peace, and development are intertwined values that can only be achieved through common effort in that direction.

This new experience is for us an irreversible step, a step we are taking without any help, and in the midst of the most serious economic crisis in the history of Latin America. We are even struggling against the lack of understanding of people who insist on monopolizing capital and technology. But we are not going back to the past, to violence and isolation.

One stage has ended, and a new one of unity, peace, and progress among us is beginning, a state of rapprochement and cooperation with the other peoples of the world. In Acapulco we made an unprecedented effort for Latin America.

International events showed us that the time had arrived to create our own unity in order to join a world that was rapidly evolving toward a new society. This is why in Acapulco we pondered about the role we wanted to play in the new society, about the things we could give, and what we needed to receive. This is why in Acapulco we made a commitment for peace, development, and democracy. It was basically a political message sent by millions of Latin Americans to the world asserting their will and determination to unite their efforts to build a closer and more just and free society.

The Acapulco meeting was also against confrontation, and against the idea of dividing the world among those who decide and those who do not. The meeting was in support of cooperation, and understanding among all the people who share with us the idea that current events show us that a sensible future for humanity must be built by all people without discrimination or colonialism, and without nations or regions detached from wealth, because wealth is the result of the effort of all humanity.

Looking back to the Acapulco meeting, 1 year ago, we can see that the Acapulco message had the virtue of interpreting current historic events. The situation now is clear. The process of detente among the great powers was almost immediately followed by the reduction of serious tensions and conflicts in various regions of the world. The new path is gradually removing senselessness and confrontation.

However, we should not be pleased just because of the positive direction that the international situation is taking in relation to the dangers of a nuclear holocaust, or regional conflicts. We are concerned about two situations. Detente has not consolidated negotiations in Central America or removed the threat of force, and foreign interference continues in a conflict that is affecting our consciences and our national interests.

On the other hand the progress made in the international political situation contrasts with the stagnation in economic and financial relations. One year ago in Acapulco we called the attention of the international community to the serious threat over our society and institutions as a result of the heavy burden of the foreign debt. On that occasion we called for a joint study of the problem. Since then the international community has become aware that both debtors and creditors are facing a problem that is basically political, but as yet no solutions have been found.

The highly industrialized countries show with pride their growth without inflation of the last 6 years. However, those 6 years were the most dramatic for our region, a period during which we became a net exporter of capital and lost a decade of growth. The gap has thus become greater and more unbearable.

During those years Latin America made a great effort to build its own future. The Acapulco meeting and the actions that followed it have proved this. Democracy is being consolidated and is moving ahead in the region. Several countries are on the eve of elections in a climate of democracy and peace. In this regard we celebrate the example given by the Ecuadoran people, and we greet the government of President Borja, who also shares our idea of regional unity based on the sovereignty of the people.

We also feel the joy of the Chilean people, who used their free and secret vote, which is the only weapon with which the people can build their future in a democracy. We are changing our productive system, and we are trying to strengthen regional cooperation; we are also raising our voices, united in demand of a world with justice and peace.

However, to a great extent our unremitting, responsible, and rational effort fades in the face of serious, inequitable, and often discriminatory foreign restrictions.

We accept the challenge of interdependence. We believe in cooperation and reject confrontation. However, we also reject the view of a worldwide integrated economy that will place us in a position of marginality.

Interdependence requires shared responsibility, not only for reasons of justice and equity for the underdeveloped nations but also for objective reasons involving the viability of a growingly integrated economy that at the very least requires a balanced level among its members. It this is not maintained the system will not function and the irrational competition that destroys cooperation and produces confinement and confrontation will be revived.

Likewise, the intention to establish interdependence by maintaining the marginality of the majority of humanity represents a threat to the strengthening of detente and peace, which all of us celebrate this year with great hope.

There were times in history when the wealth of a few apparently had to be maintained by the poverty of mankind in general. If this worked in the past, it no longer does—and not only for ethical reasons.

The vast wealth accumulated—especially after World War II—as a result of everyone's effort now calls for what in the past was regarded as a utopia, that is, an interdependent society that will ensure the development of all nations.

Thus, one the one hand, development represents not only a possible but also an immediate task that is required for the operation of a growingly integrated and expanding economy. On the other hand, however, development is essential for peace to be extended and strengthened.

There is a new reality and new facts we must analyze in order to understand it. The shared goal for development should be the point of unity between our countries and the highly industrialized nations. We all need this new outlook, which is the only way to prevent confrontation and to ensure cooperation. With it we will be able to draw a new strategy to overcome the heavy external restrictions on our growth.

The conventional treatment of the burden of the foreign debt, protectionism, and the mechanisms for financing have failed. The industrialized countries have become aware of this failure. The time has come to begin a new dialogue to match our own efforts with fair rules and practices which in turn will benefit everyone.

Messrs Presidents, in 1 year we have made progress in the direction established in Acapulco. We have strengthened our unity through a progressive project of integration based on concrete, and practical experience in accordance with our national capabilities. We have strengthened our collective political personality in the world, and have thus contributed to strengthening the Latin American presence at the international level.

We are convinced that our future will be built with our Latin American sister nations. We must work for unity because to a great extent the autonomy of our countries depends on it. This is why the consolidation of our mechanism for political agreement will benefit all of Latin America. This is recognized by other countries and groups of countries, which this year have tried to hold periodic dialogue with us. We are now a new political personality on the international scene. Without invoking representations which we do not have, and having put away any idea of domination, our progress is at the service of the mature and democratic Latin America we are building.

This is why we believe that the time has come to begin a new stage in hemispheric relations. We must make an effort to accept with realism the differences of our historic evolution, to take responsibility for the situation in Latin America, which at a time of profound crisis has responded by consolidating political coexistence in peace and democracy. We have been told many times that in order to hope for democratic coexistence we must first accept the establishment of authoritarian materialistic bases.

For many of us this resulted in the destruction of the political system, the values of civilization, and the economy.

There is no other destiny but the one that results from a free and responsible decision. This is not only the Latin American belief but also the current Latin American example. This reality is leading us to promote a new, [word indistinct], and worldwide hemispheric group.

We are in a condition to demand a new stage in the relations between Latin American and the United States. This new stage should promote, in a creative manner, cooperation in keeping with the postulates of the Acapulco summit: peace, development, and democracy. This new stage should separate indigenous Latin American conflicts from the East-West conflict, thus reversing an erroneous and negative interpretation of the real situation in the region.

This new stage should promote an independent, democratic, and prosperous Latin America which is necessary for the stability of the hemisphere. The new stage should recognize that a dynamic and hopeful region without the

burden of the foreign debt and subsidies is a precondition for the growth of international trade, and the internal economies of all countries, including the United States. The new stage should prove that the creation of a new politically and economically integrated region does not imply confrontations; it should make the Latin American people realize that their efforts to maintain the values of our Western political culture are being supported by actions of solidarity to improve their standards of living. The new stage should also make people who share our values recognize the price Latin America is paying to stop terrorist actions. It should also judge political parties and politicians more on their commitments to the sovereignty of the people and to the state of law than on their opinion regarding economic and social issues. The new stage should also eliminate the historic doubts of broad sectors in Latin America with regard to the sincerity of the U.S. goal to promote democracy at the international level.

Messrs Presidents, the people we represent here are now living in freedom they won through their efforts and struggle. Our first mission is to preserve that achievement, and I am sure it will be easier to do this by strengthening the unity of our people. We have faith in our projects, and we have the will to accomplish them. Thank you very much. [applause]

De La Madrid Opening Remarks

PY2810181788 Lima Television Peruana in Spanish 1340 GMT 27 Oct 88

[Speech by Mexican President Miguel de la Madrid at the opening ceremony of the Group of Eight summit in Punta del Este, Uruguay—live]

[Text] His Excellency Mr President Julio Maria Sanguinetti; Messrs presidents of Argentina, Brazil, Colombia, Peru, and Venezuela; ladies and gentlemen:

One year ago, the first presidential meeting of the political accord group marked the end of a time of disagreement. The Acapulco commitment to peace, democracy, and development was a sound, consistent, realistic, and promising step toward our ideal of integration, which we set as a requirement that regarded [words indistinct] and that was also the goal of other Latin Americans who held a historic vision of the future.

Here in Punta del Este, we will confirm that our group has been strengthened, that political accord among Latin Americans has become usual practice, and that presidential summits are now regular political and diplomatic events.

Though delayed, Latin America has caught up with the rest of the world, with productive development and social progress. Despite this delay, Latin America is today trying to overcome the problems of the past and the present. The economic recession in our countries is unquestionable proof that the international system is out of control and that it is no longer reasonable.

Latin American sacrifice and efforts have not elicited the proper response. Rather than struggling to move forward, Latin America seems to be struggling to avoid retrogression. We will have to find new paths.

The unavoidable cycle of economic adjustment is over. The management of the foreign debt crisis is also over. If continued along the same paths, such processes will seriously jeopardize our security. I say security because the serious deterioration of the standards of living is a breeding ground for instability, because the prolonged delay of development affects the functioning of states, and because all this causes increased international vulnerability, jeopardizing our inalienable political independence, for which we have struggled so much.

We have established a system of consultations with leading countries of other regions to begin a new cycle. We want to promote trade and we want to promote negotiations to restructure the international economy in order to favor development. This is a demand from our nations; it is also a precondition for the stability of the world economic system, which has become more interdependent but also more fragile.

The foreign debt problem has reflected the precarious conditions of our productive sector and of the world economy. Adjustment, austerity, and stagnation have turned the 1980's into a lost decade. The crisis of development is jeopardizing political institutions. To search for new and safer paths is an unpostponable goal.

The trend toward easing political tension must be strengthened, and the international community must find a solution to the world economic crisis. After a decade of stagnation and stability, there is no more room for dogmatic positions or for economic theses inspired by selfishness. Neither can there be any more room for obsolete ideologies that have been proven false.

We have seen that the trend toward the easing of tensions has ignored the conflict that is closer to our borders—the Central American conflict. Both from an ethical and a political viewpoint it is unacceptable that this conflict should continue to cause death and repression, to destroy the productive sector, to promote interventionism, and to jeopardize the security and well-being of those sister republics.

We are concerned about the fact that the international community has been unable to solve this conflict, and that shortsighted interests should have frustrated the aspiration for peace and development of nations.

Almost at the same time, Afghanistan, Iran, Iraq, northern Africa, and Kampuchea found an alternative to war. The United Nations, as the expression of the collective will to strengthen security, is supporting—through negotiations—such alternatives, which is the choice for civility and coexistence.

However, Central America continues to be the land of intolerance, wrongdoings, and fabrications. The Esquipulas and Contadora accords did not move forward, and for similar reasons. The enemies of reconciliation and understanding have not yet been defeated. But they were not able—and for that matter they will not be able—to attain their objectives. The barriers that have been erected to stop war and imposition are still there, and we will keep them sound and impassable.

To this end, new paths must be found for negotiations, because the paths along which we are now moving are insufficient. It is necessary to promote the initiatives that can reflect the genuine political will of the Central American governments and of other parties that are involved in the conflict or that are committed to the search for a peaceful solution.

It is necessary to let Latin Americans mediate in the conflict and to make use of the institutional experience of the international forums that were created to promote development and to preserve security. Failure to do this will mean prolonging destruction and agony.

Drug trafficking has also affected Latin American security, and in some countries of the region it has jeopardized the health of society, the institutions, and the principle of sovereignty. The effects of drug trafficking on international relations have grown increasingly stronger and more dangerous. This scourge has begun to undermine the foundations of the relations between nations.

Our governments have made huge investments in material, institutional, and human resources in their struggle against that scourge. Despite our significant success, the capacity of the criminal network to produce, deal, supply, and finance their activities seems to have increased. This is why we emphasize the need to fight drug consumption with more determination and efficiency. The free consumption of drugs cannot be allowed to go unpunished and the law of demand cannot be allowed to prevail.

To transfer the heaviest burden of the responsibility to the countries that produce drugs, or that are used as drug routes, is unfair and, in the long run, self-defeating. It might become a factor of instability. In drug consuming countries, drug trafficking has undermined the people's conscience, which is a key factor for strong government action.

Instead of this, an effort based on well-balanced comprehensive international cooperation should be made to fight this international crime in all its phases: production, transportation, distribution, and consumption. Each country should assume its own responsibility.

Messrs presidents, Mexico believes that the economic crisis, the Central American conflict, and drug trafficking are issues that must be included in the agenda of an effort toward international cooperation to promote development and preserve security.

The international community should recognize that the effects of such problems go beyond Latin American borders and that their influence on the world order has become, and will continue to become, increasingly stronger.

It is appropriate to make a special reflection on relations between the United States and Latin America, and on the need to begin a new stage of communication, cooperation, and negotiation in favor of the new generations, seeking to avoid confrontation and distrust. Latin American affairs should be high on the political agenda of the next U.S. Administration.

We would like to believe that conditions are ripe, that we can substantially reduce our differences in connection with our interests and our political views, that we—the North and the South of this continent—can understand the changes that our respective societies are undergoing and the changes that will come in the future.

Latin America's political geography has changed in this decade. Our nations have increased their participation and have enriched their conscience. Our institutions have become more democratic and more mature. Our governments have turned regional accord into a life style. We are better prepared to function in a more competitive and more pluralistic world. We are also better prepared to reach a truly equitable understanding with the United States, based upon mutual respect and the objecitve of promoting progress and reaping the benefits with fairness and stability.

We propose that the Americas adopt a concept of security based on socioeconomic development and on unrestricted respect for self-determination. We must create the conditions that will make our development increasingly dependent on our own will and capacity. Consequently, we should continue our efforts to achieve economic, scientific, technical, educational, and cultural integration among our own countries and among all Latin American and Caribbean nations.

In the interdependent world of today, which calls for joint efforts, resources, and capacity to promote development and sovereignty, Latin America is our natural environment for integration, where we can promote, in a

balanced and mutually beneficial manner, the productive structures that will meet both our domestic needs and the demands posed by the efforts to find a place on the difficult international stage.

In view of the difficulty encountered on the international stage, our group should concentrate its efforts on the not yet achieved, though always valid, goal of regional integration. Latin American integration calls for an essentially political decision, a decision which—and we are aware of this—has been opposed within the region itself, a decision that has enemies beyond our borders, a decision that must confront inertia and contradictions. This is precisely why integration calls for extraordinary will and imagination, courage, the capacity for designing a project, and awareness of the historical moment.

The Acapulco summit gave the thrust. Now we are pleased to see progress and achievements. We also recognize, however, that it is imperative to go deeper and faster. Conviction and perseverance are not enough to overcome resistance. We need to be precise in our definitions, so that the methods to accomplish our goals will be feasible, especially in the various economic stages that are essential for the interrelation of our countries.

We agreed on the need for integration but without making very large commitments. Let us finish the job. Within this context it is important to mention the progress made in implementing a program of association and cooperation in science and technology, a program to which we committed ourselves 1 year ago.

We resist the idea of being left out of the technological revolution, which has so dramatically changed production and economic and social progress. We resist being put outside the society of nations that are getting all the know-how and material wealth.

We need to share and help in the technological development that is created by our countries, and that is now dispersed. We need to give impulse to joint participation in advanced technological systems within the sectors that we believe are most important for national production. We are ready to give impulse to regional integration in order to fit ourselves into the world economy under better conditions. Greater technology will represent more developoment, sovereignty, and a better future.

It is also essential to continue promoting a better understanding of our real national situation in order to give solid foundation to cooperation and integration. This is why we should strengthen and diversify our will for educational and cultural exchange. We should preserve the historic and cultural values of Latin America as a common value, because it is the genuine expression of the life of our people and the basis for solidarity.

The path is open to strengthing the strong character of our nations, and to transforming it into greater creative energy fo: progress, sovereignty, and productive international relations on the basis of our own identity.

Messrs presidents, ladies and gentlemen, our governments are facing a historic responsibility. We should immediatedly take full advantage of the great potential for agreement and cooperation among our countries. The times demand from us greater effort for new dialogue and constructive negotiations with the industrialized world. We need to make greater effort to speed up the integration of Latin America and the Caribbean—greater effort to involve the productive sectors of our nations in new projects. In sum, the times demand from us greater effort to prevent mistrust and inertia, and to stop biased interests from dividing us. Let us not listen to the voice of skepticism and siren songs.

We know that the path will be hard, that we are still going to face the enemies of Bolivar and his ideals. Let us recognize that the first obstacles are the ones we ourselves create, and they reflect our dependency and contradictions. Development is an urgent commitment of our people, an unwavering demand of our people. No one is going to do for us what we are not capable of doing for ourselves.

Let us nourish in Punta del Este our commitment to unity for a common destiny, a destiny without selfishness, a destiny with solidarity, justice, democracy, and dignity—which are values that have nourished the legitimate and unwavering dream for a Latin American fatherland. Thank you very much. [applause]

Garcia Speaks at Opening

PY2810225788 Lima Television Peruana in Spanish 1340 GMT 27 Oct 88

[Speech by Peruvian President Alan Garcia Perez at opening ceremony of the Group of Eight summit in Punta del Este, Uruguay—live]

[Text] Messrs presidents, Latin American countrymen: A year ago in Acapulco, we set out on a road to initiate a process that is all-important for our peoples. Now, 12 months later, we are gathered in Punta del Este to continue that process and take another step for the maturity of Latin America. We gathered here, as has been said, to affirm our faith in the essential principles that inspired us to hold these meetings; to ratify our faith in freedom as a structural principle for human beings, something that cannot be renounced; to ratify our faith in democracy; to reassert our convinction in the continent's sovereignty and in justice for our peoples; and, fundamentally, to reassert our conviction and beleif that no cause is greater and no revolution is deeper in Latin America that its unity and integration, and that, without them, no effort will have a definite goal, no internal victory will be anything more than

ephemeral, no achievement will be lasting. Only the continent's integration as an economic and social model will provide the appropriate framework in which our ideal of freedom and justice will be stabilized, strengthened, and crystallized.

I make this statement in Uruguay, which was an example and model of democracy and stability for all of us; in Uruguay, which elicited envy from all the continent's democracies and peoples. Uruguay, however, had its freedom and democracy interrupted by dictatorships. Yet, keeping up its struggle for freedom, Uruguay recovered it. On the road it traveled, we can find a renewed conviction.

None of our countries alone can be certain of its path if it does not set as its goal its participation in an integrated community that will provide stability and consistency to its dreams. A year ago, we met in Acapulco to lay the basis of this mechanism at a gathering of heads of state. That meeting was viewed in different ways. Some, the dispirited and pessimistic, asked themselves if it would mean a break in order to create something new out of nothing, something completely different. Others believed that everything would be changed after Acapulco, making it possible to speak of a before Acapulco and an after Acapuco; they asked for everything; they believed that the specter of the debt would vanish after Acapulco. Those were the dispirited and the pessimistic, who ask for everything at once, in order to justify the dismay that corrodes their inner selves.

Yet others see, in this meeting 12 months later, the possibility that it may flounder in rituals, protocols, and declamations. But we do not come here to seek anything new, nor to raise a renewed and spectacular proposal, because our alliance or coordination will not gain strength from doing anything spectacular, but from perseverance and insistence on the same basic issues behind which we rally.

We must continue persevering in the same basic issues we discussed in Acapulco. We must also make a critical assessment of what has been achieved and project our commitments into the future.

I remember that in Acapulco Julio Maria Sanguinetti said: We are not here to show our wounds to the world. We are here to seek an identity and to discuss positive things.

The truth is that many positive things have been accomplished in the past few months. As Galileo said: Eppur, si mouve [however, it moves].

Yes, we are indeed progressing toward our objective. We do not have to be overly optimistic to see the progress. Despite everything, democracy was consolidated in the Americas in 1988. Despite the apparent political and economic instability that the international news agencies report, we are firmly upholding the principles of freedom and democracy. Moreover, the foreign debt, recession, and inflation are paradoxically strengthening democracy by mobilizing multitudes and by stirring the consciousness of people throughout the continent. Recession and the foreign debt are not instruments against democracy. Rather, they strengthen democracy because they awaken the people's conscisousness. What is more important, because of this, the citizens of our countries are certain that we will be able to overcome these problems only through the unity of Latin American countries.

We cannot ignore, we cannot keep silent—just to avoid interfering in domestic affairs—we cannot keep silent about something that has been stirring our souls like a bell. We cannot keep silent about the vote of the Chilean people who decided to rescue their democracy and freedom. This confirms our dreams and our faith in the system.

How can we ignore the fact that, when given the alternative, the Chilean people chose freedom? Like all of us, they know that man does not live by bread alone, but by the Word of God. According to Saint Paul, the Word of God is the spirit of freedom.

Whether young or old, all of us in our adolescence have sung with [Chilean poet Pablo] Neruda that old poem about wanting to sing on this night the saddest verse.

Today, years later, how can we not but praise the dawn of democracy that is blooming in Chile? How can we ignore this decisive step? How can all of the Americas not applaud this decision, which strengthens us on our path?

How can we not hear, in the echo resounding throughout the entire continent, the old voices of the immortal O'Higgins, of Balmaceda, of Frei, and of Allende—telling us that although Latin American democracy may be interrupted, it will return? It will always return, because it is the destiny of Latin America to be the land of free men.

Chile is not the only place where we have witnessed progress in 1988. We have also witnessed progress in Central America, where many believe that nothing is being done—where many say there is no progress. I think we have to point out that there is true progress in Central America.

When we met 1 year ago, there was much more tension in Central America than there is today. Today, at least for the time being, it seems no economic aid will be granted to the counterrevolution. Today, we can reassert that although the Esquipulas principles have not led to much progress, they have not been denied, rejected, or canceled. Today we can see that the possibility of dialogue is taking hold within the insurgent forces and that democratic trends, which we must support and salute, are also taking hold.

We have, therefore, seen how the objectives we established have yielded positive results in 1988.

Nevertheless, it is also true that we have witnessed little progress in the international economic structure. This is what now demands our attention. We have to ratify and expand the principles we upheld a year ago.

During this meeting we must not only reassert the concepts, but the spirit, of our categorical decision to raise our voices to free our continent from foreign debt, to make positive changes, to decrease interest rates, to seek a consensus, to make decisions, to demand that the IMF replace the theory of economic readjustment with the theory of development and growth, to refuse to obey contradictory conditions.

This is what we said at the time, because we agreed that we are not seeking a better place in today's world, but to transform the world through other forces.

We do not want a better place in today's world. Free us from the bilateral treatment that has weakened us. All of us want to change the world.

Although this may sound like a vain aspiration, it is nothing more than to anticipate our role in history. As the brightest representatives of wealthy countries know, the economic world is fragile and contradictory.

All of the presidents have said here today that the crisis is not limited anymore to the demands of the poor and their poverty. It is also a crisis that is slowly affecting the wealthy, and it is drowning them in their immense wealth.

This crisis results from an onerous burden imposed on us decades ago. It is a crisis resulting from high interest rates, from international trade, and from protectionism. This has made the powerful tremendously wealthy, and it has made those who are left out so poor that the wealthy do not have a market for their technology or their enormous accumulation of capital.

This contradictory relation is our best banner before the world. It is not a banner of confrontation or emotions, as it has been called. It is a rational transaction proposal, a proposal that anticipates future events.

Though apparently benefiting from this situation, wealthy countries are increasing their problems and ours. Contradictions in our situation have become obvious. As was already mentioned here today, the first and most obvious contradiction is that as differences increase, there is less possibility to restructure the capitalist industrialist system.

This is why the wealthy struggle to impose their interest rates to gain capital. This is why they impose exchange rates and protectionist measures to obtain trade advantages. This is why their immense wealth is unceasingly oriented to an increase in consumption, to the sometimes senseless renewal of technology, and to increased military spending, particularly on war materiel. This concentration of wealth orients them to use their wealth senselessly, because there are no more markets in the world for their products.

As has been said here today, however, we are confronted with a second contradiction: Because military and political decisions are based on East-West relations, we must put an end to wars; we must put an end to an increase in military weapons in view of the serious threat of a nuclear holocaust.

We are witnessing the advance of perestroyka, which is enlightening so many minds. But this is nothing more than the restructuring of the military apparatus for production purposes. We are witnessing nuclear detente that will compel people to use for production purposes the capital that until now had been used in satellites, laser rays, and wars.

Therefore, we must ask ourselves: How will nuclear detente and perestroyka, which transforms the military sector into the productive sector, affect the international economic system within a few years? It will only increase the senseless capitalization and accumulation of technolgy for which there are no markets.

Today the economic world is learning that the development of its productive and technological sectors calls for a restructuring of the system. This will not only benefit the poor, but also the powerful, those who need a market to exert their power.

The third dramatic contradiction we are witnessing is that the norms and theories implemented by the IMF and international organizations do not correspond to the needs of the productive forces.

It is clear that IMF regulations and theories, which were designed for other economic conditions during another industrial expansion cycle, are no longer able to properly support the technological sector. It is clear that such rules were applied in a time of industrial expansion, but they have turned into theories of lack of productivity, of obtaining loans to repay other loans, of using interest as a mechanism of concentration, and of obstructing the possibilities for opening a new world market.

These regulations and theories do not even meet the interests that wealthy countries have in reorganizing their markets, because they block the restructuring of the international economic system. Reducing domestic consumption to pay the foreign debt works against the need to establish a new economic market. Using interest rates to concentrate capital and impoverish countries works against the current need to establish a new market. The ideal of money as a source of financial income rather

than industrial investment works against the need to establish a new economic market. So does the accumulation of technology and the burden of the foreign debt on our countries.

Consequently, and in view of these unresolved contradictions, we can say before the world what has been said here today: We are not asking for the charity of the powerful; we are merely demanding a just world.

We have discussed a situation that, in the short term, will force the more powerful to make urgent decisions to resolve impending serious problems.

This is why the banner of interdependence must be hoisted as a rational principle in relations and dialogue. It is only a half truth when we are told that developing countries need the credit of wealthy countries.

Today—and even more so tomorrow—the wealthy countries will need us for the development of their technology; they will also need our markets for their capital.

Interdependence is the principle through which we can hold an international dialogue, a dialogue that means we have achieved a consensus before speaking to developed countries. This dialogue will not only demand that justice be done, but also reassert calmly and wisely our proposals.

Through this dialogue we must again bring a united Latin America onto the international scene so as not to engage in the bilateral dialogue we have repeatedly rejected and blamed as the origin of our weaknesses.

Some of the most important news in Acapulco was that for the first time Latin American presidents gathered without being summoned by the U.S. President.

As a president has already said here today: I believe that Latin America has matured a lot. It has already done much to reverse this idea.

Without being pretentious or arrogant, we now have the possibility of holding a dignified and rational dialogue on equal terms with the United States regarding the great problems affecting our hemisphere and our continental relations.

Without undermining our dignity, without undermining our Latin American pride, we do have the possibility of holding this dialogue. We can do this to show we are able to achieve a consensus and to establish joint objectives. We must propose a dialogue in which we will discuss the great problems affecting the international system, such as the restructuring of the international market and the overall renegotiation of our relations with the United States based on a single project for Latin American development.

We must make this proposal now, a few days before the U.S. elections in which the American people must decide on whether they will choose a new administration. We must make this proposal now, before knowing the results of this election. No matter who is elected, he must pay attention to the great problems that in the future will affect the international system and the international market.

He must also pay attention to the objectives and proposals made by Latin America in keeping with our common goals, which are not only restricted to continental coexistence, but also to the enormous impact that the U.S. economy has in each of our countries.

In addition, Latin American immigration to the United States, where Latin American immigrants are establishing minority groups, has increased. There is also the problem of drug trafficking that has been discussed here today, which ultimately is not a problem caused only by consumption but also by poverty. Citizens in our countries sometimes meet their needs by committing this crime.

I am certain that the United States will listen to the calm and rational message of Latin American representatives.

I am sure the United States knows that a divided Latin America is not a good neighbor. It knows that an impoverished and overly-taxed Latin America is not a good market for its financial restructuring.

The United States understands that an impoverished Latin America also results in unemployment in the United States. The American people must know that the security that is invoked so much by the presidential candidates depends on the solution of problems such as recession, inflation, crime, and poverty on our continent.

But the American people must clearly understand that controlling technologies, hoarding capital, and increasing the interest rates only generate contradictions and problems within their own society.

This proposal is to begin talks for the active, effective, and participative integration of Latin America into the world. As Sanguinetti has said, we are not here only to show our wounds. We must show our identity, which is evident when we sit opposite someone who is not like us.

The talks are a test of Latin American unity. The talks are a test of the strength of our consensus. The talks are a test of our capability to convince other peoples.

Therefore we need to propose a dialogue—without detriment to other countries and situations—to the country that is the leader of the industrialized countries on account of its power, its technology, and its military strength.

This is how we should integrate the world, without repeating our mistake of being just 20 isolated and divided countries who participate in the talks. We have been 20 exporting countries. We have been the builders of 20 isolated industries. We have been 20 countries negotiating individually and seeking a solution to each one's problem. We cannot make the mistake of trying to develop 20 advanced technologies, because this would mean rebuilding North-South relations within our continent. It would mean that those who are less developed will be subject to those who are more advanced.

This is a moment of great transformation. This is a time of great perestroykas. It is true that the Soviet Union, with its publicity apparatus and its reality, has brought this concept into fashion. But theirs is only one of the great perestroykas and transformations of this century.

First we had the European perestroyka, where unity put an end to thousands of years of racial, religious, and political struggles. Afterward we had the Chinese perestroyka, which overcame thousands of years of structural peasant agrarian submission. And after that we saw the Soviet perestroyka, the one that refers to the structure of feudalism and the tsar.

There remains the great Latin American perestroyka, in which we must participate actively to restructure and integrate all our objectives and systems.

Messrs presidents, I am sure that this Punta del Este summit will not generate any news that will make the newspaper headlines, but it will rather constitute a humble yet vigorous confirmation of the main issue that unites us: the defense of our continental sovereignty and our people's right not to be the victims of the [word indistinct] debt and of the unfair international trade rules.

Latin America is, as has always been said, a collection of pictures and remembrances. But Latin America is also large crowds, masses, and rebellions. An enthusiastic and impetuous Latin America has given us the beautiful scenes of the Mexican Revolution and the youths' dream of university reform, as well as other multitudinous and disorderly movements—as should be the case with the march of the great peoples.

Latin Ameica now awaits an answer from us; it expects us to reaffirm its historical trend. The dream of Latin America will not die. Besieged by inflation, problems, backsliding—and acclaimed by popularity sometimes—we suddenly come to the realization of what Latin America should be. Then we know that we should be tending to its immediate and urgent problems, but without abandoning our dreams for the future.

More than 2 centuries ago, a peasant revolt broke out in the Peruvian Andean region. It was the forerunner of social freedom and rebelliousness. It was the rebellion of Tupac Amaru, who mobilized huge peasant masses and armies, barefooted, poorly fed, unarmed Tupac Amaru died of torture and quartering on the Plaza de Armas of Cusco. Then a Peruvian poet sang this elegy: He may be blown up with dynamite; he may be beaten to death; his mouth may be filled with gunpowder; his dream and eyes may be wrenched away; he may be quartered as he screams in pain, but he cannot be killed. He may be taken to the center of the plaza, lying on his back, looking at the skies beyond. They may want to break him, but he cannot be broken. They may want to kill him, but he cannot be killed. On the third day of suffering, when everything seems to have been consummated, he, shouting freedom, will return upon the earth. And they will not be able to kill him.

Thus the dream of Latin America, the dream of the future and the united masses, the dream of the great nation, will not be killed by disillusion, inflation, and dismay. Hatred will not kill this dream. America to a man; America, with its multitudes ambling in dust; America, aesthetic and beautiful; America expects that we do something for its fate at this meeting. Thank you very much. [applause]

Lusinchi Address at Opening

PA2910014088 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 28 Oct 88

[Report on speech by Venezuelan President Jaime Lusinchi at the opening of the Group of Eight summit meeting in Punta del Este, Uruguay, on 27 October]

[Text] In his address, President Lusinchi focused on the foreign debt situation, and in this regard he created a stir, because he said what everyone else has been thinking: The debt can never be paid off by incurring further debt.

[Begin Lusinchi recording] It is imperative to try to set up a direct political dialogue at the highest levels with the creditor countries' governments to discuss the debt issue and to seek solutions that can no longer be postponed. These solutions—and everyone should be aware of this— should be mutually beneficial because of our interdependency. We are not asking that favors be granted out of compassion or generosity.

The disparity in international relations is already unacceptable from the moral and political points of view. This is how we view the situation in Venezuela, and we have been warning everyone about this problem for a long time so that actions can be taken. All of us hold similar views on this, so let us all say it together—state our positions loudly and clearly—from this forum. Let us give voice to the sound of reason. A common stand always commands respect.

Within this context, the consultation and coordination mechanism that we set up in Acapulco, which we are trying to improve and implement here in Punta del Este, is gaining strength and new dimensions thanks to the determination of each one of us and our respective

nations. Let us march vigorously toward the full attainment of our freedom, which is the aspiration of all mankind. We are committed to this. Thank you. [applause] [end recording]

U.S. Attitude Discussed

PY2810131688 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1146 GMT 28 Oct 88

[By special NOTICIAS ARGENTINAS correspondent]

[Text] Punta del Este, Uruguay, 28 Oct (NA)—U.S. President Ronald Reagan could possibly meet with the presidents of the Group of Eight before his mandate expires. This would come within the framework of the new viewpoint held by the United States regarding the objectives of the Group of Eight.

According to Brazilian diplomatic sources that were consulted here, this topic was discussed by Presidents Julio Maria Sanguinetti and Jose Sarney during a nearly 1-hour meeting held yesterday morning at the residence of the Brazilian president.

The sources also do not discard the possibility that the future meeting, and the new position of the United States regarding the Group of Eight, were discussed during the first work meeting that the presidents held yesterday afternoon.

During that meeting topics of a political nature, such as the need to implement a new type of dialogue with the United States, the Central American crisis, and the future actions of the permanent mechanism for consultation and political agreement, were also discussed.

During their meeting, Sarney told Sanguinetti about the results of the meeting between Brazilian Vice Foreign Minister Paulo Tarso Flecha de Lima and U.S. Secretary of State George Shultz.

In addition to the already known U.S. position of considering the Group of Eight from a less critical viewpoint, Sarney presumably told Sanguinetti about the feasibility of a meeting of the Group of Eight presidents with Reagan.

Sarney also told Sanguinetti about a proposal made to him on 16 October by French President Francois Mitterrand regarding sustantially reducing the foreign debt of the region's countries, which amounts to $415 billion. Sarney will speak about this topic today during the second work meeting which has been reserved for economic matters.

Mitterrand proposed a reduction of the Latin American foreign debt through the creation of a guarantee fund that would function within the framework of the IMF, and be based on special drawing rights.

This topic and others linked to the foreign debt, international trade, and regional economies will be discussed today by the presidents of the Group of Eight during their morning meeting. During the afternoon meeting they will discuss drug trafficking, and other pending topics on the agenda, such as technology and a cultural common market.

The evaluation of all of these topics by the presidents behind closed doors will serve to round off the Maldonado Declaration and the document that is to be called "Action Guidelines," which will be disseminated tomorrow at noon during the closing session.

Garcia, Barco Tackle Drug Issue

PY2910111188 Lima Television Peruana in Spanish 1800 GMT 28 Oct 88

[Telephone relay from Punta del Este, Uruguay, by Television Peruana correspondent Jose Tassara—live]

[Excerpt] [Passage omitted] At 0730 this morning President Alan Garcia attended a lengthy breakfast with his Colombian counterpart, Virgilio Barco. During this breakfast, which was also attended by the countries' foreign ministers, the two presidents discussed the drug problem at length.

As a matter of fact, I am now able to report that an agreement, an understanding, has been reached with the Colombian Government with a view to establishing binational mechanisms to curb and repress drug trafficking. President Garcia also announced that the ministers of interior and justice and drug enforcement officials of the two countries will meet very soon. This means that bilateral negotiations between Colombia and Peru have already yielded some concrete results and this has been reported by news media correspondents who are covering the Group of Eight meeting. [passage omitted]

Closing Ceremonies Reported

PY2910145088 [Editorial Report] Lima Television Peruana in Spanish at 1305 GMT on 29 October begins live coverage of the closing ceremonies of the Group of Eight summit from Punta del Este, Uruguay.

At 1310 GMT Uruguayan Foreign Minister Luis Barrios Tassano takes the podium and reads the Uruguay Declaration. Barrios Tassano concludes reading the document at 1336 GMT. The document is then signed by the seven Group of Eight presidents.

At 1335 GMT an announcer says that Mexican President Miguel de la Madrid will address the group for 15 minutes, followed by closing remarks by Uruguayan President Julio Sanguinetti. Following Sanguinetti's remarks, the announcer says, each president will answer one or two questions in an ad-hoc news conference.

De la Madrid begins speaking at 1340 GMT. He praises the work done at this summit and discusses Latin American unity, integration, and democracy. He concludes at 1402 GMT, at which time Uruguayan President Sanguinetti begins speaking.

Sanguinetti thanks the presidents for coming to the summit and for their attitude during the talks. He praises Latin American unity, development, and democracy. He concludes speaking at 1423 gmt.

At 1426 GMT an announcer says that the station is concluding its coverage of the Group of Eight closing ceremony.

'Uruguay Declaration' Issued

PY2910160988 Lima Television Peruana in Spanish 1310 GMT 29 Oct 88

[Text of the Uruguay Declaration, released at the closing ceremonies of the second meeting of presidents of the Group of Eight, in Punta del Este, Uruguay on 29 October; read by Uruguayan Foreign Minister Luis Barrios Tassano—live]

[Text] The presidents of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay, and Venezuela, which are the countries comprising the Permanent Mechanism of Consultation and Political Accord, held their second meeting in Punta del Este, Uruguay, from 27 to 29 October 1988, and are releasing the following document, entitled the Uruguay Declaration:

We have examined the political and economic events that occurred in the world and in our region from the time of the Acapulco meeting up to today, and have analyzed the performance of this mechanism of consultation and political accord within the framework of its three fundamental objectives: political accord; Latin American security based on peace, democracy, and development; and regional integration.

The New International Political Situation [subhead]

Since our last meeting in Acapulco, a number of exceptional events that have modified the nature of political relations at the international level have occurred.

The disarmament agreements signed by the superpowers, the resulting detente, and the initial solution of many regional conflicts have changed the international scenario. This new scenario makes it easier to consolidate peace. It can free an extraordinary amount of resources that must be used in creating a new, and socially fairer, international order.

We believe that in order to make this new situation more stable, the Southern Hemisphere must share the technological and social developments prevailing in the Northen Hemisphere.

It is clear, today, that the opportunity to share in this development is not simply a matter of international justice but also an indispensable element for the preservation of peace in the Northern Heimisphere and in the rest of the world.

In order to achieve peace and development, we must overcome the temptation of dividing the world into zones of influence, we must fully comply with the principle of democractization when making international decisions, and we must respect national sovereignty. By so doing, we will be creating better conditions for the preservation of stability in a world that becomes more interdependent every day. This interdependence makes us realize that the only way to end conflicts is to realize the true value of negotiations and multilateralism. This interdependence also calls for other types of dialogues and accords.

A new system of international relations is being created now that Latin America is experiencing a great change in its political structure. The Latin American countries are increasingly going through a process of democratization, and are creating new mechanisms of regional accord.

Therefore, living in a world that has been changing, and being part of a region that is undergoing transformations, we insist on the need to hold broad dialogues, keeping in mind that new international political and economic-financial relations exist.

Immediate Actions [subhead]

Conforming with our objectives of achieving peace, security, democracy, and development, we have established the following list of priorities for our actions:

To hold political dialogues with the industrialized countries, and with other Latin American and Caribbean countries.
To strengthen regional organizations.
To solve the Central American conflict peacefully.
To fight drug trafficking effectively.
To strengthen Latin American integration.
To finance our development and our foreign debt.
To secure Latin American participation in international trade and in fighting protectionism.
To protect the enviroment.

Political Accord [subhead]

We have strengthened our political accord since the Acapulco meeting by holding foreign ministers' meetings in Cartagena de Indias, Huajaca, Brasilia, and New York, and by holding direct, high-level consultations.

We have also ensured the presence of the Group of Eight in international and regional forums by coordinating our positions and meetings held with Third World countries or groups of countries.

Since the Acapulco meeting, we have intensified cooperation with the other Latin American and Caribbean countries, and are ready to continue intensifying our efforts to implement a project for the shared development of the region.

We intend to start a new round of talks with the industrialized countries seeking to create a fairer system of international relations. In the pursuit of this goal, we must hold talks and meetings with the EEC countries and with other parts of the world, including the socialist countries, Canada, Japan, the Council of Nordic Countries, ASEAN, and the OAU.

Relations between Latin America and the United States are experiencing an era of challenges, and demand renewed political ability and a firm desire to reach agreements. Different interests and points of view have prevented these two blocs from fully using the opportunities they have had to cooperate in an equitable and broad manner.

An atmosphere of confidence and understanding must be created. We propose, therefore, an immediate round of talks on the political, economic, and social problems that affect us.

We have also agreed to continue improving the performance of the OAS as a tool for political understanding and inter- american cooperation.

Regional Security [subhead]

The concept of regional security proposed in Acapulco demands that we persevere in our efforts to preserve democracy and that we promote the economic and social development of our countries.

Development brings peace. It guarantees the institutional stability of our countries, and contributes to the security of the entire region.

The serious socioeconomic crisis being experienced in the region makes the political efforts to consolidate democracy less effective, hinders the peace processes, and prevents the solution of the regional conflicts.

Central America [subhead]

In a discouraging contrast with the process of detente and the solution of several regional conflicts, the Central American conflict continues to challenge our efforts toward obtaining a fair and lasting peace for the region. In the past, the victories in the battles for the peace and democratization of Central America were obtained through talks and negotiations, which reached their climax with the publication of the Esquipulas II accords. The evolution of the Central American crisis has proven that threats and the use of force keep the armed conflicts and instability alive, and clearly violate the principles and laws of international coexistence.

We confirm our conviction that the principles which inspired the efforts of the Contadora and Contadora Support Groups toward obtaining a Latin American solution for the crisis are now, more than ever before, in full enforcement. We will persevere in our efforts to contribute to the implementation of these decisions. We must seek new negotiation channels to commit the political will of the governments involved in the conflict, and we must use the experience and the institutional framework of the United Nations and the OAS.

The revitalization of the peace process requires that the international community increase its contribution to the political, economic, and social reorganization of the Central American countries, which have recently been the victims of nature's calamities.

In view of these calamities, we now make a call to the wealthier countries to take an active part in tasks that express our solidarity with the sufferings of the Central American peoples.

Drug Trafficking [subhead]

The production of, the illegal trafficking in, and consumption of drugs and psychotropic substances is increasing so much that now they threaten the institutional stability of some of our Latin American countries, and of our entire Latin American community.

We must remember that drug trafficking operations increase in number as the demand for the drugs increases in the drug-consuming countries. We must also remember that in some of our countries, drug traffickers have allied with terrorists and other types of criminals. This situation becomes worse as these groups receive smuggled arms, which are produced mainly in the industrialized countries, and have the money obtained through drug trafficking operations laundered by international financial organizations.

Therefore, to solve these problems we need to coordinate our actions with those of the highly-industrialized countries. These countries must sponsor campaigns involving education, prevention, and repression. The countries where the drugs are illegally produced must continue with their eradication and crop substitution campaigns. All that, however, requires huge amounts of money, which can only be obtained through international financial cooperation.

Moreover, the countries involved in drug trafficking must cotinue their effort to fight it.

Likewise, it is necessary to establish effective controls on the illegal trade in chemicals used to process drugs.

We reaffirm our willingness to form a common front and to cooperate with all the nations involved to effectively eradicate this scourge.

We have agreed to support the negotiations being conducted to approve an international convention against illegal drug trafficking. These negotiations should conclude with the approval of an effective law that will permit nations to fight consumption, production, and illegal trafficking activities simultaneously, and help to preserve the security and legitimate interests of our countries.

Economic Situation [subhead]

We acknowledge that our development basically depends on ourselves.

Our region is responsibly and firmly confronting the most serious crisis of its history.

All of our countries have implemented profound economic reform programs, aimed at transforming their productive structures and strengthening the ties between their economies and the international market.

Nevertheless, we have not observed a commensurate effort by the industrialized nations.

Latin American stability and socioeconomic development are jeopardized by the serious foreign debt problem and by unfavorable developments in international trade, which, to a large extent, are the result of factors foreign to the region.

The Latin American economy in the 1980's has been characterized by retrogression in its growth rate, as proven by a decline in the average income of Latin Americans to a level below that of 1978 and by a net negative transfer of more than $100 billion during the past 5 years.

We must admit that we have now passed the stage of handling separately each of the problems affecting us: the debt, protectionism and other obstacles to international trade, insufficient financing for development, and other equally important problems.

It is essential to find an integral approach to these problems.

The development of our nations must be a goal shared by the highly industrialized nations, because it involves advantages for their economies and a substantial contribution to international peace and security.

Political stability is strengthened by development, and the latter requires a significant increase in the financial flow to the region, the opening of the international market to Latin American exports, and the establishment of stable and equitable rules that will permit international trade to increase in a sustained and honest way.

Foreign Debt [subhead]

Very little has been achieved in this field since the Acapulco meeting. Certain political aspects of the problem have been recognized, but the effect of the debt on the political life and democratic process of Latin American countries has been overlooked. The fact that some of the involved parties agreed that responsibilities regarding the debt burden must be shared has not given birth to the effective measures our countries needed.

The Toronto summit represented some progress in the treatment of the debt of some of the poorest countries, but it has overlooked the difficulties of other heavily indebted countries, including the Latin American countries. In this sense, we insist on the need to create a general rule for the reduction of the debt, and we acknowledge that some proposals, including some made by the industrialized countries, were positive.

The foreign debt issue has become the greatest obstacle to the development of Latin America in view of the massive net transfer of the region's resources to the industrialized countries. By transfering a large amount of their domestic savings to the industrialized countries, the Latin American countries have reduced their possiblities of investment, have stopped growing, and have seriously lowered the standard of living of their peoples.

The conditions established by the adjustment programs, by the sectorial credits, and by the reorganization agreements often consist of inadequate and contradictory measures that make it more difficult to implement economic policies because of the seriousness of the situation in these countries.

In view of those difficulties, and in compliance with the principles and decisions of the Acapulco meeting, we believe that we must discuss the debt issue in a new political scenario if we are to overcome the limitations of the strategies used so far.

This is why we decided to call for a meeting of finance ministers to be held before the end of 1988 in Rio de Janeiro, with the purpose of proposing mechanisms for reducing the debt and for increasing the financial resources needed for the development of our countries.

The result of the meeting of ministers must become the basis for closer ties among the countries of the region, as well as for dialogue with other countries to find an effective solution to the problem of the foreign debt.

Commerce [subhead]

The deterioration of the terms of trade in international commerce persists and tends to get worse to the detriment of the developing countries. The violation of the commitment to the status quo, established in the Punta del Este declaration, and the restrictive measures against GATT limit the access of our products to the large centers of consumption and distort the negotiations held in Uruguay.

Protectionism, which is frequently discriminatory, and the subsidies, especially in the agricultural sector, which have highly negative effects on competition in third markets, are increasing in the highly industrialized countries. Negotiations in the new areas of services, copyrights, and the investments related to trade must take into consideration the special situation created in developing countries and their need to consolidate an industrial and technological basis compatible with their development objectives.

We reiterate that coercive measure and reprisals that are incompatible with international law should not be applied, and we reaffirm the goal of defending our rights and protecting our interests in international meetings.

We emphasize it is important that the ministerial meeting to be held in Montreal next December conclude with the firm commitment to move ahead in fulfilling the principles and objectives of the meeting held in Uruguay, by preserving the overall nature of the negotiations and ensuring acceptable and balanced results for all participants.

In this regard we believe that the first priority is to comply fully with the commitment not to create new restrictions on trade, to do away with the obstacles that are incompatible with GATT, to define the range and application of the principle of special and favorable treatment for the developing countries in all the areas of negotiations, to act concretely on the recognition that foreign debt and trade are linked, and to enlarge and stabilize the access that products of the developing countries have in world markets.

We have agreed to adopt positions to strengthen Latin American initiatives during the Uruguay talks. In the same way, we will coordinate actions in the appropriate forums regarding the trade legislation that was recently approved by the United States.

Regional Integration [subhead]

Economic Integration [subhead] [as heard]

In view of an international scenario that is characterized by ever-increasing interdependency and by the existence of economic units formed by groups of countries that are based on the expansion of markets, we propose, in accordance with what we indicated in Acapulco, to continue stimulating regional integration in order to become more efficient in our participation in the world's economic sector.

The advance in the process of integration will allow Latin America to transform and modernize its current productive structure, to use the region's resources more efficiently, and to assimilate and create new technologies.

We agree to adopt formulas that will complement our views on trade and that will also help make advances in the areas of financing and payments, economic coordination, industrialization, transport, telecommunications, and border integration.

The overall guidelines that we will apply in the economic sector are, among others, to give ALADI priority as the main instrument for stimulating regional integration through the full use of its multilateral and bilateral mechanisms, to expand reciprocal trade on an equal and dynamically balanced basis that will ensure the steady expansion of intraregional exports, to apply differential and favorable treatment to the region's countries that have relatively low development, and to accelerate the implementation of the pending commitments during the regional round of negotiations.

Cultural and Educational Integration [subhead]

The integration process requires the reestablishment of mechanisms to intensify cultural and educational cooperation between our peoples and to guarantee their identities. We have decided to establish as a priority objective, for greater national integration and regional development, the rapid eradication of illiteracy.

We have agreed to promote a cooperative program to achieve this objective.

Scientific and Technological Integration [subhead]

In the implementation of the Program for Association and Cooperation in Science and Technology, which was approved and signed in Acapulco, action has been taken for the training of manpower, the creation of a network of support services for scientific and technological development, and the full and coordinated use of the resources of international organizations.

All of this is aimed at structuring joint projects that will unite the public and private research and development capabilities with a special eye to the production of assets and services that make intensive use of technology.

We value the advances that have been made, and we have decided to intensify the implementation of the program. The recommended action for economic, cultural, educational, scientific, and technological integration is contained in the appropriate chapters of the program of action.

Environment [subhead]

Aware of the need to give adequate attention to the prevention and control of the affects that development projects can have on the environment, we maintain that national development and regional integration must be reconciled on an economic, scientific, and technological basis with the preservation and recovery of the environment.

We are convinced that the improvement of economic and social conditions will be an essential contribution to preventing a deterioration of the environment and the ecosystems.

We propose to join our efforts to strengthen regional and intergovernment cooperation and integration and to coordinate our actions in the competent organizations.

Guidelines for Action [subhead]

We have also agreed on the guidelines for action that will guide the activities of the mechanism during the next stage.

We have held the second meeting of the presidents of the mechanism for cooperation and political agreement in Punta del Este, thanks to the fraternal hospitality of Uruguay, and we agree to meet again during the second half of 1989 in Peru.

[Dated] 19 October 1988

[Signed] Raul Alfonsin, president of Argentina; Jose Sarney, president of Brazil; Virgilio Barco, president of Colombia; Miguel de la Madrid, president of Mexico; Alan Garcia, president of Peru; Julio Maria Sanguinetti, president of Uruguay; Jaime Lusinchi, president of Venezuela. [applause]

Presidents Leave Uruguay

PY2910223988 Madrid EFE in Spanish 1957 GMT 29 Oct 88

[Text] Punta del Este, 29 Oct (EFE)—The six foreign presidents who participated in the second Group of Eight "summit" left Uruguay this afternoon.

Three of them—Raul Alfonsin (Argentina), Jose Sarney (Brazil), and Alan Garcia (Peru)—left from the Capitan Curbelo Airport in Punta del Este, where the meeting was held. the other three—Virgilio Barco (Colombia), Miguel de la Madrid (Mexico), and Jaime Lusinchi (Venezuela)—traveled by car to Montevideo's Carrasco International Airport, some 130 km away, where they boarded their respective flights.

All the presidents left for their respective countries except President de la Madrid, who went to Cuba for an official visit.

The second Group of Eight "summit" closed today with the signing of the "Uruguay Declaration" and the decision to hold the third summit in Peru, during the second half of 1989.

Correction to Barco Group of Eight Address

The following correction pertains to the item subheaded "Barco Addresses Opening," published in the 28 October Latin America DAILY REPORT, page 5, column two:

Page 6, column two, third full paragraph of column, from beginning of line one, reads: There is a poorly disguised tolerance in some industrialized nations, while the results achieved by our nations in the struggle against the production of narcotics reflect the... (adding dropped passage)

C.A. Presidential Summit Set for 25-26 Nov

PA2910023488 Guatemala City Cadena de Emisoras Unidas in Spanish 0100 GMT 29 Oct 88

[Text] It was officially announced today that the Central American presidents' summit will be held in San Salvador on 25 and 26 November. The meeting, which was proposed by Guatemalan President Vinicio Cerezo so a top-level review of the Esquipulas II agreement could be made, may also speed up the organization and establishment of the Central American parliament.

These dates for the meeting have been accepted by the five Central American presidents, it has been confirmed. It is expected that the meeting, which was delayed because of U.S. Ambassador Morris Busby's visit, will not be postponed again.

The initial dates set were 11 and 12 November. This meeting, scheduled to be held 2 weeks after the initial dates, is contingent on Salvadoran President Jose Napoleon Duarte's health improving or at least remaining stable.

Cuba

Castro Meets With Latin American Journalists

FL2810140588 Havana Tele-Rebelde Network in Spanish 1200 GMT 28 Oct 88

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, has met with the judges of the Jose Marti Latin American Journalism Award at Havana's Palace of the Revolution.

Fidel talked with the following journalists: Nora Parra from Colombia; (Freida Modak) from Chile; Rogelio Garcia Lupo, (Estella Calon), and Claudio Diaz from Argentina; Pedro Jorge Vera from Ecuador; Eduardo Galeano from Uruguay; and Enrique de la Osa and Luis Suardiaz from Cuba.

Presides at Award Ceremony

FL2910163088 Havana Tele-Rebelde Network in Spanish 1400 GMT 29 Oct 88

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers of Cuba, has presided over the ceremony in which the recipients of the Jose Marti Latin American Journalism Awards were announced.

The awards were given to Emilio Suri from Cuba, Manuela Roble from Chile, and (Adrian Esquetini) from Argentina. The following persons received special mention: (Leonardo Paruda), Cuba; (Mariel Ibalbi), Peru; Juan Salinas, Argentina; Marcio Vargas, Nicaragua; and Viviana Gorbato, Argentina.

The Colombian National Institute for the Blind publication also received special mention.

Castro Inaugurates, Tours Various Facilities

Visits Blood Bank

FL2810230688 Havana Radio Rebelde Network in Spanish 2223 GMT 28 Oct 88

["Last minute report" by Virginia Maria Pineiro]

[Text] Commander in Chief Fidel Castro, first secretary of the PCC, has toured Havana's provincial blood bank. The center is being officially inaugurated today, even though it has been rendering services since last month. The bank will accept donations from all parts of the country and will serve hospitals to the south and southwest of the capital. The project is located in Marianao. It cost more than 2 million pesos to build, and was built by members of the Architectural Projects Construction Enterprise No 29 of Holguin.

Views Medical Equipment Factory

FL2910025188 Havana Television Service in Spanish 0100 GMT 29 Oct 88

[Excerpts] Commander in Chief Fidel Castro, first secretary of the PCC and president of the Councils of State and Ministers, spoke today at the inauguration of Havana City's medical equipment factory. Before the ceremony, Fidel had a tour of the facilities and spoke with the workers.

[Begin Castro recording] The vast majority of this medical equipment must be purchased from capitalist countries and we have to spend convertible currency. Just by importing the components, a great deal of money is saved. Of course, as we produce more components—mechanical components or electronic components—our expenditures on imported components will be reduced.

Not only can this factory supply our country with the principal equipment—very important health care equipment—it could even be capable of exporting part of its production to other countries. [end recording] [passage omitted including indistinct portion] [Castro is seen walking through the factory talking to workers and pointing to machinery]

[Begin recording] [Reporter] Just recently, we toured, with a television crew, the bus factory in Guanajai and the railroad car factory in Cardenas. We anticipate a visit to the rolling mills in Las Tunas, and today we are here. We want to know your opinion concerning developments in the steel industry.

[Castro] Well, just a few days ago we had a meeting with 59 factories, the ones here in Havana City and Havana Province, which are the ones we are having the most problems with. We don't have as many problems with other steel factories in the region, because competition is too great here for the work force.

Also, all the workshops were old. We were putting in machines and developing an industry that didn't exist in these workshops. There can't be development without a mechanical industry, economic or social development. Likewise, there can't be development without construction or development in the energy sector. We analyzed these problems for 2 entire days. I, who am an optimist, have a good outlook on all of this because of all the studies that we're doing in administration and construction, and also because of the measures we are taking. First we visited 97 industries, and then we got together with 59, mainly in the capital. [end recording]

Further on Remarks at Factory

FL2910174888 Havana Tele-Rebelde Network in Spanish 1443 GMT 29 Oct 88

[Excerpt] Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, has spoken at the

inauguration of Havana City's medical equipment factory. Prior to the inauguration, he toured the factory's facilities and chatted with the workers.

[Begin Castro recording] The vast majority of this medical equipment must be purchased from capitalist countries and we have to spend convertible currency. Just by importing the components, a great deal of money is saved. Of course, as we produce more components—mechanical components or electronic components—our expenditures on imported components will be reduced. Not only could this factory supply our country with much of the basic medical equipment, but it could also export part of its production to other coutries.

Of course, we are not going to produce here nuclear magnetic resonance [as heard], for now, or computerized axial tomography. There will always be some new sophisticated medical equipment such as the one for extracorporeal lithotomy, or the accelerator we have acquired that will be set up at the Hermanos Ameijeiras. We will always need to acquire something from the international medical equipment industry, especially something new, sophisticated, efficient, and of great use. We will always need to acquire something; we cannot fall behind. We cannot insist on only using what we discover, what we produce. However, we can satisfy a great part of our needs with this factory. The growing development of our public services results in the growing demand for this equipment. [passage omitted with indistinct portions] [end recording]

Melendez in Soviet Union; Meets With Katushev

FL2910191688 Havana Radio Progreso Network in Spanish 1200 GMT 29 Oct 88

[Text] Konstantin Katushev, Soviet minister of foreign economic relations, has met in Moscow with Ernesto Melendez, Cuban minister president of the State Committee for Economic Cooperation.

The two officials examined matters related to the increase in economic cooperation, and the corresponding documents were signed.

Soviet Computer Technology Official Arrives

FL2810034988 Havana Television Service in Spanish 0100 GMT 28 Oct 88

[Text] Igor Nikolayevich Bukreyev, first deputy chairman of the State Committee for Computer Technology and Information Service, arrived in Cuba today. He heads the Soviet delegation to the second session of the Cuba-USSR branch group meeting.

Samuel Savariego Capuano, president of the National Institute of Automated Systems and Computer Technology, welcomed the Soviet delegation at the Jose Marti International Airport.

Upon his arrival in Cuba, the Soviet leader said that our meetings produce better results each time, even though we do not have a lot of work experience in this area. The coordination we undertake and our efforts help improve our relations, he said.

Another Medical Brigade Travels to Nicaragua

FL2810154888 Havana Radio Progreso Network in Spanish 1200 GMT 28 Oct 88

[Text] It has been reported that another Cuban medical brigade has traveled to Bluefields, Nicaragua. It is a vector control team that will help the health authorities of the sister nation deal with the disaster left in the aftermath of Hurricane Joan.

Ortega Cited on 'Solidarity'

FL2910015388 Havana Radio Rebelde Network in Spanish 0048 GMT 29 Oct 88

[Report by Maria Elena Alonso for the "Caribe-Intercosmos" section of the "Exclusivo" program]

[Excerpts] Latin American television services tonight stressed the statements made by Nicaraguan President Daniel Ortega, who made a preliminary assessment of the damage caused by Hurricane Joan. [passage omitted]

In reference to the solidarity expressed by the Cuban Government and people, Ortega recalled that on the night of Friday, 21 October, Cuban President Fidel Castro called him by phone to offer help. On 22 October, Ortega added, a connection was established between the destroyed city of Bluefields and Havana. Since then, 14 flights have been made between the two points and another 10 flights have been made between Havana and Managua, he said.

National Bank Head in Paris; Discusses Debt

FL2810160088 Havana Radio Progreso Network in Spanish 1200 GMT 28 Oct 88

[Text] Hector Rodriguez Llompart, minister president of the National Bank of Cuba, has held informal talks on the Cuban foreign debt in Paris. Rodriguez Llompart confirmed that the exchanges took place but said that, as a principle, absolute discretion by all the parties involved is called for in these kinds of talks.

Asylum Seekers Reportedly Leave FRG Embassy

PA2910032488 Buenos Aires REUTER in Spanish 0100 GMT 29 Oct 88

[Text] Havana, 28 Oct (REUTER)—Three Cubans who had sought refuge in the FRG Embassy in Havana have left the building, diplomatic sources reported today.

This past Monday, the three—two men and a woman—burst into the mission hoping to force the German authorities into facilitating their emigration to the United States, the sources said. One of the sources

reported: "They left the embassy yesterday (Thursday), and no one seems to know where they are now. The Germans have had no contact with them."

An embassy official referred all questions to the German Foreign Ministry in Bonn. It is not clear whether the Cubans left of their own volition, under police protection, or with some kind of guarantee from the Cuban Government.

There has been no government official available to issue a statement. The German Embassy official has denied reports that the three have sought refuge at the ambassador's residence.

Antigua and Barbuda

Military Intelligence Unit Reportedly Planned

FL2610180088 Bridgetown CANA in Engish
1512 GMT 26 Oct 88

[Text] St John's, Antigua, Oct 26, CANA—The weekly opposition OUTLET newspaper here says the Antigua Government is moving to set up a military intelligence unit within the Army.

In a front-page article headlined Vere runaway Bird setting up military intelligence unit, the paper accused Prime Minister V.C. Bird Sr. of allowing his eldest son, who is also the minister of public works, Vere Bird Jr, to establish the unit to collect information and spy on such citizens as Vere "runaway" may choose for his own and the unit's purpose. According to the paper some EC200,000 dollars (1 EC Dol; 37 cents U.S.) has been provisionally allocated to set up the intelligence unit which will have its own data bank and compter systems.

Vere...Bird (Jr) himself will choose the Army personnel who will comprise this unit, and while it would be normally under Army commandant, Major Clyde Walker, and the minister of defence...Vere...Bird (Jr) will be the de facto commander-in-chief, the OUTLET charged.

OUTLET said that several cabinet ministers are unhappy with the proposal since there is already a secret service unit in the police force.

"Such ministers fear they may come at the wrong-end of the military intelligence unit," OUTLET said.

"Antigua has no need for military intelligence. It is under attack from no state; has no adversarial relations with any other state, and likely to have none. The military intelligence unit which will include some 40 men, twice the size of the police secret service unit from its inception, must be more political in design and purpose," the OUTLET suggested.

Bahamas

Health Ministry Reports on AIDS Statistics

FL2610232888 Bridgetown CANA in English
2226 GMT 26 Oct 88

[Text] Nassau, Bahamas, Oct 26, CANA—The Bahamas has recorded 60 new AIDS cases up to the end of September this year and 33 of the victims died, health officials said. Of the 36 AIDS cases reprovided two resource persons—Raymond Jacobs and Scott Morris. [sentence as received]

The 1986 incidence-rate of AIDS, says Dr Barko [not further identified], was a staggering 213.6 [per] million population—almost four times as high as that of the United States.

In 1987 it rose to 370 per million, and the projected rate for the end of this year is 320 per million.

The mode of transmission is predominantly sexual and presently stands at a 1.5 to 1.0 (male to female ratio). Children account for some 17 percent of AIDS victims in the Bahamas. With one exception (a girl in the 5-9 years age group who became infected through sexual molestation), children with AIDS have all been born to mothers with HIV infection.

Health officials at the Bahamas Health Ministry have concluded that men and women are equally at risk in the contraction of AIDS.

Fifty three (72 percent) of the 73 adult AIDS cases which occurred during 1987 were among heterosexuals, but 33 (45 percent) were cocaine abusers.

The ministry believes, however, that most contracted the disease through promiscuous sexual behaviors and not through needle-sharing.

Grenada

Visiting Dominica Prime Minister on Haiti

FL2810043188 Bridgetown CANA in English
1514 GMT 27 Oct 88

[Text] St George's Oct 27, CANA—The prime minister of Dominica, Mary Eugenia Charles, is unsure whether the lastest change of government in Haiti will lead to a major improvement in living conditions.

"I do not know whether Haiti will move forward now", Prime Minister Charles said in an interview here. "I'm just biding my time."

"I'm hopeful that, with some of the steps General Prosper Avril has taken, that he is sincere about clearing up the mess they have made there for so many years, and trying to get to democracy.

"But he is still an army man and we just have to wait and see. Time will tell".

Avril came to power in Haiti's latest coup d'etat.

Miss Charles was in Grenada to attend celebrations marking the fifth anniversary of the October 25 United States invasion of the island.

She also spoke of Haiti's last general elections, which had been boycotted by several opposition groups and rejected by some countries as having been rigged.

Miss Charles said that despite the problems they perceived, opposition parties should not have boycotted the poll. "A bad election is better than no election", she said.

"For 30 years, Haiti has been under a dictatorship", she said, "and you cannot expect to move from dictatorship to perfect democracy in one step."

"It is impossible. Up to 10 and 15 years ago, many of our islands had elections which were not perfect and I know that, in 1975, many dead people voted in Dominica".

Haiti

Avril on 'Temporary Government,' Elections

FL2810160688 Port-au-Prince Radio Nationale in Creole 1300 GMT 27 Oct 88

[Text] Yesterday night, Tele-Haiti's Channel 2 carried a (?prerecorded) interview that Haitian President Lieutenant General Prosper Avril had granted to Tele-Haiti reporter Fritz Valescot.

Several matters currently making the news were broached in this interview, such as the dispensing of justice in Haiti, several ongoing studies and investigations, and the disarming of macoutes and detectives [attaches].

In answer to a question as to whether or not justice and peace were closely linked, President Avril answered, outright: Yes. He also said that peace must come through justice, and he stressed respect for the fundamental principles of the Constitution of 1987.

Avril said: Justice must remain independent of the executive. This is an option that I myself have chosen. I (?will) not prevent the courts from doing their job here in Haiti; and the executive has no right to interfere in the courts' business.

With regard to restoring the people's trust [konfyans], Gen Avril first spoke of the conditions for his becoming president on the night of 17 September 1988: to respect the rights of the soldiers, to improve the living conditions of the Haitian people, and to eliminate all paramilitary forces such as macoutes, detectives, etc. According to Avril, all these recommendations were made by the soldiers after the 17 September 1988 coup d'etat.

Avril said that the government is based on dialogue; also, and consequently, it (?is going to) follow a well-thought-out program that (?should clearly constitute) a break with the past. Gen Avril also discussed another very important matter in this interview with Fritz Valescot: future elections in Haiti.

Avril said, and we quote: My government is a temporary government, and one which must organize elections—and not fake elections during which the population is beaten, shot, and repressed in the streets; during which all kinds of pressure is exerted on it, as was done on 29 November 1987, when ballots were being sold like merchandise in a marketplace. That is not at all what is going to happen.

Elections should be organized in a climate of serenity, a climate of sobriety and honesty, without anyone getting hurt or killed. That is what will permit Haiti to get out of this difficult current situation.

Other matters were also broached during the interview—for example, illegal arrests. On this subject, contrary to what certain observers claim, Gen Avril does not consider himself a politician but rather a soldier. He said that the practice of arresting people illegally without a warrant must stop cold here in Haiti.

With regard to the arbitrary attitude of certain section chiefs, President Avril said that he was very worried. He said he felt he (?was being seriously hurt) by this. However, he said, changing section chiefs in 562 rural sections in Haiti is not an easy thing to do. On the other hand, we are expecting help from the residents of the different areas, who should not content themselves with merely organizing demonstrations against this or that section chief. They should also make suggestions as to how this could really be changed.

The president also said there was a possibility of electing the section chiefs; they are looking to see to what extent this would be possible.

Regarding the appointing of a commission that could be entrusted with continuing the work of disarming macoutes or detectives—work that the government recently stopped because there were people taking advantage of the situation to dress in military uniforms and commit certain criminal acts, for which the military was blamed—the president said the committee that is going to be set up is a serious one. It is not a committee that can be formed in just a day or two. (?This is so that) they can disarm all macoutes or detectives—disarm those who have firearms in their possession and are sowing terror in Haiti.

The Army General Headquarters has been given the task of forming another unit, made up of serious individuals headed by an officer who, like all other members of the unit, wears distinguishing (?insignia), to do this work of disarming macoutes or detectives. In the coming weeks, weapons search operations are going to resume.

Gen Avril, the representative of the executive, revealed that he has in his possession real [bon jan] results of an investigation into the death of political leader Louis Eugene Athis. He also has real results of an investigation into the massacre of 29 November 1987—a very heavy dossier. The president said that the means (?of informing) public opinion about the results of these investigations are currently being studied. Also, the public could send the head of the government suggestions (?in order to) adopt a proper solution—the most simple and most rational solution.

The release of Samuel Jeremie was also broached during this interview. Normal procedures were not followed, and that is what was at the basis of a number of things done by certain individuals, who acted in violation of the law, said Prosper Avril.

In addition, the struggle being waged against drugs was discussed during this interview, as were economic revival and the hope that foreign countries might resume their aid to Haiti. All these matters were discussed during the interview Lt Gen Prosper Avril granted to Fritz Valescot of Tele-Haiti's Channel 2.

These were, essentially, the main topics discussed during the interview.

Former Manigat Government Official Attacked
FL2710152188 Port-au-Prince L'UNION in French No 46, 26 Oct 88 p 3

[Excerpt] [Passage omitted] Haiti's former prime minister, Martial Celestin, was brutally attacked on Friday, 21 October 1988, very near the Banque Nationale de la Republic d'Haiti.

The former prime minister was going to do some banking when he was approached by a group of demonstrators, who demanded that he give them some money.

The former high-ranking official of the Manigat government did not comply.

A rope was put around his neck and gasoline was sent for.

A citizen observing the incident got out of his car and paid a certain amount of money to "buy back the head of the former Haitian minister."

Martial Celestin, a lawyer, hastened to leave the country after his mishap.

Costa Rica

Arias Urges Group of Eight's Political Support

PA2810140688 San Jose Radio Reloj in Spanish 1220 GMT 28 Oct 88

[Text] President Oscar Arias has requested the Group of Eight's political support in peace-seeking efforts. He asked the group to discuss this political support in its agenda to ensure that the willingness that existed at the signing of the regional peace accord will be acted upon.

Arias warned that the flame of hope lit by Central American heads of state when they signed Esquipulas II seems to be extinguishing today, because certain signatories are adopting measures distancing us from the democracy and liberty demanded by our peoples.

Arias said only liberty will be able to sustain democracy and bring back peace to all Central American peoples. He added that only this peace will forge a path of development that will ward off all our peoples from destitution and violence.

Arias Comments on Responsibility of News Media

PA2910022488 San Jose Radio Reloj in Spanish 1200 GMT 28 Oct 88

[Excerpts] Costa Rican President Oscar Arias has said that the conservative and harsh views of certain news media are not always the journalists' responsibility. The president said he believes the selection criteria and the dissemination of news reflect the ideologies of the media owners, who, when all is said and done, determine what is published or broadcast. President Arias added that it is not beneficial for some media to ignore the success of the human spirit and the good, kind, and positive deeds of men.

President Arias said independent news sources are a necessary part of a democracy. Their vigilant attitude is important for democracy, he said, adding that since the beginning of our republic, the media has played an essential role in the consolidation of our freedoms.

President Oscar Arias said his criticisms of the media and journalists have been based on his conviction that in a democratic society, the truth depends on the diversity of opinions and on responsible reporting. [passage omitted]

Arias said that in some news media, editorials and commentaries, with a few exceptions, are similar. These media are committed to the same line of thought, to the same ideology, and to defending the interests of certain segments of society, he concluded.

El Salvador

Duarte on Amnesty International Report

PA2810160088 San Salvador Radio Cadena YSU in Spanish 1400 GMT 27 Oct 88

[Interview with President Jose Napoleon Duarte by unidentified reporters in San Salvador on 26 October—recorded]

[Text] [Reporter] Do you have any comments on the Amnesty International report, which claims that the Armed Forces are involved in the murder of certain Salvadoran citizens?

[Duarte] I understand that Amnesty International has to prepare a report every year, and the organization includes whatever views it chooses in the report. The organization obviously states its views in the report. Salvadorans do things according to the law. If any Salvadoran or foreigner has evidence [of human rights violations], then it should be brought before the courts. That is the logical and legal way for us to begin an investigation; that is what we always do in all such cases.

[Reporter] Mr President, your government has issued a special report claiming that some death squad members have deserted and implicated several right-wing members in the murder of Msgr Oscar Arnulfo Romero and other Salvadorans.

[Duarte] We are analyzing the available evidence in those cases. You know that I have carefully analyzed the cases. I released information only when the evidence was duly investigated and corroborated. We are processing a sizable amount of information, but I do not want to discuss it in detail because I believe that this would hinder the investigation.

[Reporter] Is it true that you have two video recordings in which the two deserters give their names and details and that these recordings are being analyzed by military intelligence services and the government?

[Duarte] We are currently investigating the case. That is why I said that I would not like to reveal any detailed information—because this might hinder the investigation.

[Reporter] Mr President, the Amnesty International report states that death squads—which are reportedly composed of soldiers and policemen—are being reactivated at a time when the Armed Forces oppose your policies.

[Duarte] I do not think so. My government's policy remains unchanged. We advocate the defense of human rights and democracy. I think this is always evident. Every day this is demonstrated by events. [Words indistinct] film about guerrilla commanders, which represents support for the FMLN and distorts the people's views. Nevertheless, we know that freedom of the press must

prevail and therefore we do not intervene. You will not find another country that does this, yet we are doing so because we believe that we should defend freedom of the press above all.

[Reporter] How much credence do you give the Amnesty International report?

[Duarte] The report is valid insofar as the facts are all there. However, I [words indistinct] the way in which the facts are interpreted. The facts are interpreted according to Amnesty International's own [word indistinct]. We also received reports from Red Cross International [words indistinct] each case. Each case is interpreted differently. The United Nations has its own opinion; the OAS has its own opinion. Each one issues a report, and we use that information as the basis for our investigations on human rights violations, which is the main issue.

Gen Blandon To Transfer to France in Nov

PA3010195088 Panama City ACAN in Spanish 1528 GMT 30 Oct 88

[Excerpt] San Salvador, 30 Oct (ACAN - EFE)—General Adolfo Blandon, chairman of the Salvadoran Armed Forces Joint Chiefs of Staff, today announced he is stepping down in early November. He will be sent to France as military attache.

Blandon announced that Colonel Jose Emilio Ponce will replace him. Ponce is currently the chief of the 3d Infantry Brigade, located in strife-torn San Miguel Department, in the country's eastern area.

The top military chief, head of the Salvadoran Army since 1983, told local television station Canal Doce that his departure "is not related to the political situation" in El Salvador. Instead, it is part of the institution's development to "give way to new generations." [passage omitted]

FMLN Claims Attack on AID Building

PA2910005388 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2345 GMT 28 Oct 88

[Unattributed commentary]

[Text] [Passage indistinct] 19 October. Desperate Blandon [chairman of the Joint Chiefs of Staff] said because of the guerrilla actions in San Salvador, he was taking precautions and organizing an operation he called Tornado. It consisted of sending the troops of the busy Atlacatl Battalion to the San Salvador Volcano and other areas around the capital. But now, 10 days after those statements, the gorilla is upset about the massive actions of our urban units.

In the period since 19 October, we attacked the Agency for International Development's den, the center of the U.S. financing of the war in El Salvador. We occupied Radio Monumental. We inflicted three casualties on 1st Infantry Brigade soldiers riding a Route 22 bus. We blew up two whorehouses owned and used by military men and deputies. We sabotaged properties of the exploitative bourgeois, and we continued to sabotage the electricity system.

Blandon's [word indistinct] troops and squads have been unable to do anything. The puppets and the Yankees are desperate and shaking with fear. A cordon of guerrillas, urban units, and militias is destroying the Yankees' urban war plan. San Salvador has become the zone of guerrilla activity that stumps the gorillas and destroys their plans. Now is the people's turn. It is the turn of the working class. It is time to intensify and expand the struggle in all areas. It is time for all to [words indistinct] until the final blow.

FMLN Leader Vows To Bring War to Capital

PA2810182288 San Salvador Canal Doce Television inSpanish 0300 GMT 28 Oct 88

[Report by Magdalena Jimenez on interview with FMLN Commander Joaquin Villalobos, date and place not given; passages within quotation marks recorded]

[Text] Rebel Commander Joaquin Villalobos has said the FMLN plans to bring the war to San Salvador's residential areas through destabilization tactics. He was referring to recent bomb attacks in San Salvador.

[Villalobos] "We do not intend to allow the Army to wage war and terror against the people with impunity. The war will also reach residential areas to influence groups with decisionmaking power. Perhaps this will make them consider other solutions and alternatives. Not long ago, these groups were claiming the war was over. It is not, on the contrary, the first phase of our urban activities is just beginning."

Regarding human rights, the rebel leader denied knowing the basis of allegations from the Archbishopric's Legal Assistance Office blaming the FMLN for the murder of four peasants in Tres Ceibas Canton, in Apopa.

[Villalobos] "I cannot say whether the Archbishopric is right about this specific incident. Obviously, we believe it is a countercharge to accusations made after the San Sebastian incident [where the Salvadoran Army was said to have killed 10 peasants]. Most likely, we did not do it. Whenever we carry out an execution, we report it to the people and the relatives of the persons involved, and we issue a communique. We do not deny that we dispense justice for the people."

Turning to the elections, Villalobos dismissed Christian Democratic Party presidential candidate Fidel Chavez Mena's chances of winning.

[Villalobos] "When Duarte took office, the economic crisis was not as serious. The project [not further identified] was just getting off the ground. The hope was that

the so-called reforms were going to work. We ask ourselves: How many more changes does Chavez Mena plan to implement? What changes can he make considering the National Assembly is totally controlled by ARENA [Nationalist Republican Alliance]? What commitments does he have, considering he is seeking pacts and agreements with the oligarchy, even on the possible appointment of a vice presidential candidate? What maneuvering room does he have? What game [?is this?] What are the chances he will rescue the project when he [word indistinct] the same thing Duarte has said? Now there is greater political weakness and social strife."

On the rebels' military situation, the guerrilla commander said the FMLN is operating in the country's 14 departments and in the outskirts of major cities.

Farabundo Marti Reports on FMLN Area Tour
PA3110151488 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 29 Oct 88

[Text] On 20 October, all Christian Democratic Party [PDC] officials, including (?Jose Napoleon Duarte) and Ricardo Acevedo Peralta, received a big surprise. Lionel Gonzalez and Joaquin Villalobos were in Lima, Peru, to meet with President Alan Garcia [2-minute break in reception]... were surprised to see how much power and recognition we, the Salvadoran revolutionary forces, have reached on the continent.

In only 10 days, the FMLN General Command has met with the Peruvian, Costa Rican, and Ecuadoran presidents and with other distinguished individuals from South and Central American countries. The tour begun by Joaquin and Lionel in Peru on 20 October has been described by the international press and by political observers as a diplomatic offensive and as a very important tour. The FMLN commanders have been officially received at the presidential palaces as representatives of the Salvadoran people.

In Peru, the meeting was held at the Government Palace, and President Alan Garcia was accompanied by Prime Minister Armando Villanueva. Following the meeting, the Peruvian president said he would talk about the FMLN's proposal at the Group of Eight meeting scheduled to be held in Punta del Este, Uruguay.

The FMLN delegation then held a news conference, where it explained the purpose of the tour was to exchange views and seek Latin American contributions to achieve a political solution to the Salvadoran conflict. Regarding the country's situation, they said the strengthening of the people's struggle has weakened U.S. policy, and that there is currently a highly explosive situation in El Salvador. Our commanders also met [20-second break in reception]...Villalobos added they had talked to the [word indistinct] about the important role the Group of Eight could play in Central America.

In Argentina, an official meeting was also held with the government. The delegation was received by Acting Foreign Minister (?Raul Arangonada), because Foreign Minister Dante Caputo was in New York heading the 43d UN General Assembly. The delegation and its proposals were received in much the same way as in Peru. In Argentina, our delegation also made one of the most interesting political, diplomatic visits by meeting with various leftist groups and parliamentarians from different political leanings. A meeting considered to be of great importance was the one held with solidarity organizations, which support our country and Central America. The Argentine organizations were very receptive to the FMLN General Command's proposals, and they said obtaining international support for El Salvador will be their main task.

Following the FMLN's meeting with Alan Garcia in Peru, Salvadoran Foreign Minister Acevedo said [words indistinct] third-class officials. In fact, on 24 October, FMLN commanders met for 3 and ½ hours with Costa Rican President Oscar Arias. No comments are needed to understand the desperation of Duarte's ridiculous foreign minister.

Never before has a Duartist official described presidents of nations such as Peru and Costa as third-class officials. Furthermore, no Duartist official has ever been greeted with so much expectation and recognition other than by the U.S. Embassy. The stopover of our General Command comrades in Costa Rica was given much importance.

The meeting with that nation's president, Oscar Arias, constitutes [words indistinct] political solution to the Salvadoran conflict. This has been acknowledged not only by the Costa Rican press and people but also by different Latin American groups learning about our position.

This meeting took place on 24 October at the Costa Rican president's private residence. Our General Command comrades were able to explain and expound on the same points as they did with governments they visited earlier. Foreign Minister Rodrigo Madrigal Nieto and his deputy foreign minister were also present.

The (?following) day, President Arias confirmed the FMLN will continue their tour in Ecuador and Panama. The FMLN delegation held a news conference in Costa Rica, during which Commander Villalobos pointed out that El Salvador is experiencing a highly conflictive situation in which the factors blocking an understanding and a dialogue—U.S. intervention—is weakening because the people's struggle has been stepped up. He added: This is why there are perspectives for the opening of a genuine dialogue and negotiation process. The international, Costa Rican, and Salvadoran press were present at this news conference.

The efforts of Acevedo and Duarte to break up the broad [word indistinct] of the positions and statements of our delegation were thwarted.

Following the meeting in Costa Rica, the General Command's tour entered a second phase. The delegation headed for Ecuador for an official visit to that Andean country, and they made a stopover in Panama.

In Panama, the FMLN delegation met with the San Salvador archbishop and representatives of European churches that have previously had contacts with our vanguard to set up meetings between the PDC government and our fronts.

In Ecuador, the General Command representatives met with President Rodrigo Borja. While Duarte has claimed the FMLN is weak and is going unnoticed, the General Command delegation was welcomed in Ecuador, where they met with President [words indistinct] before whom they explained the most important aspects of the people's struggle in El Salvador.

The government's and the Yankees' concern is justified. Their desperation and impotence is so great that the parrot [Communications Minister Viera has even threatened a television station just because it broadcast an interview with Joaquim Villalobos.

Acevedo even described the presidents of Peru, Costa Rica, Ecuador, Uruguay, and so on as third-class officials. No less was expected; the puppets know all these governments and peoples support our vanguard because they realize the people's struggle is getting stronger and that U.S. policy is weakening in our country.

The correlation of forces is leaning in our favor and soon [2-minute break in reception] strength of the people's and revolutionary forces that [words indistinct] to create conditions to begin a genuine process of dialogue and negotiation in our country. There is no greater slap in the face of the dictatorship that is desperate and facing total defeat.

Duarte Comments

PA2910033688 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 28 Oct 88

[Report by Elmer Gomez on news conference with President Jose Napoleon Duarte; date and place not given]

[Excerpt] President Jose Napoleon Duarte has said that FMLN Commanders Joaquin Villalobos and Leonel Gonzalez' efforts to participate in the 18th OAS meeting to be held in November in San Salvador are just a political maneuver. Duarte said such an attitude by the guerrillas shows they are weak domestically and internationally because the FMLN is seeking notoriety by trying to participate in the OAS meeting and by beginning a wave of attacks in the capital and the interior of the country.

[Begin recording] [Duarte] This is another maneuver to gain notoriety. That is why they kill and why they open fire on buses at night. That is why they set off bombs. That is why they engage in terrorism. That is why they burn gas stations. That is why they destroy utility poles and buildings. They seek notoriety with all of these actions. They seek international notoriety. There is another interesting fact you must bear in mind. Look how it is not Ungo or Zamora [FDR leaders Guilllermo Ungo and Ruben Zamora] who are now traveling throughout the world. Why not? Because they have been brought here to El Salvador to fill the political space El Salvador has given them. The commanders have had to go abroad to try to overcome the difficulties they have in their international relations. This is important. They are weak internationally, domestically, and militarily. The only thing they have is terrorism.

[Reporter] What do you think of Commander Joaquin Villalobos' charge that your administration is one of the worst?

[Duarte] I think all of you heard his interview and how he distorted things. He initially said that I was a leader, that I was good, that there was no one like me. He said a lot of things. But then he said that I was no good. I do not know what [words indistinct] he was simply trying to take advantage of [words indistinct]. [end recording]

The Salvadoran president added that Costa Rican President Oscar Arias has yet to brief him on the meeting the FMLN representatives held with him this week. Duarte said he does not think the Costa Rican president was able to persuade them to lay down their weapons. [passage omitted]

Leaders Meet Ecuador's Borja

PA2910215088 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Oct 88

[Text] An FMLN General Command delegation met this afternoon with Ecuadoran President Rodrigo Borja as part of its Latin American tour, which began last week.

According to reports from the Ecuadoran capital, the delegation headed by Joaquin Villalobos includes Leonel Gonzalez, Miguel Saenz, Salvador Samayoa, and Ana Guadalupe Martinez. The report adds that the delegation arrived in Quito last night on a private flight that originated in Panama. The topics to be discussed by the delegation include the search for a negotiated political solution to the conflict in El Salvador.

The guerrillas recently met with Peruvian President Alan Garcia, Costa Rican President Oscar Arias, and ranking Uruguayan Government officials. in all areas. It is time for all to [words indistinct] until the final blow.

Central Electoral Council Rejects New Party

PA3010144788 San Salvador EL DIARIO DE HOY in Spanish 29 Oct 88 p 5

[Excerpts] Members of the Authentic Christian Movement [MAC] have said the Salvadoran Central Electoral Council (CCE) has rejected MAC's registration as an

official political party because of a political decision specifically aimed against Christian Democratic Party [PDC] dissident Adolfo Rey Prendes.

Our sources stated the resolution, the draft of which was shown to Juan Ramon Rosales y Rosales, MAC secretary general and secretary of ideology, will be officially released today by the CCE.

The ruling rejects the amendments made to the statutes of the Centrist Republican Movement (MERECEN), which gave rise to the appearance of MAC, the members of which joined MERECEN after a scandalous split in the ruling PDC. The arguments given by the CCE for the issuance of such a resolution include the following:

a. The special general assembly that made the decision met only 15 minutes after the regular assembly had finished;

b. The documentation sent to the CCE was incomplete, because not all the points and topics of agreement were stated;

c. The word "authentic" was not used in accordance to the definition of the word given by the Larousse Dictionary. The word could also lead to confusion, because there is already another party with the word "authentic" in its name: the Salvadoran Authentic Institutional Party, PAISA;

d. MAC also includes the word "Christian" in its name, which is also a word in the name of the ruling PDC;

e. The colors of MAC's flag (green and red with a white dove in the middle) could give rise to confusion, because the color of the PDC flag is green and has the drawing of a fish. [passage omitted]

Commenting on the CCE resolution yesterday afternoon, members of MAC and MERECEN, who merged under the leadership of dissident Christian Democrat Adolfo Rey Prendes, said the resolution reveals fear "of the presence of opponents who can shake things in the upcoming elections." [passage omitted]

Central Electoral Council President Resigns

PA2910194988 San Salvador Canal Doce Television in Spanish 0303 GMT 29 Oct 88

[Statement by Central Electoral Council President Mario Samayoa in San Salvador—live]

[Excerpt] [Passage omitted containing indistinct passages] Salvadoran people: I would like to announce my resignation from the Central Electoral Council. I also want to tell you that I leave office having fully carried out my obligations. I am not only satisfied with having performed my obligations, but with adhering to the law. Although this attitude brought me many difficulties, it does not matter to me. I said from the start that I was going to behave that way, and I did not change.

It would be unfair of me to leave my post without first acknowledging my gratitude to the Salvadoran Armed Forces. I thank them for their cooperation and actions and for adhering to the principle of not being politically involved. Without their cooperation, it would have been impossible to maintain the electoral process at the level it is now. We cannot deny that without the support of the Armed Forces, there can be no elections in our country. We know that hidden forces opposed to the democratic process—leftist and rightist extremists—are trying to impede and frustrate the electoral process. Without the help of the Armed Forces, we could not have elections. [passage omitted]

FMLN Ambushes Army Trucks, Inflicts Casualties

PA3010192688 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 30 Oct 88

[Text] A block and a half away from an enemy position at La Quebrada Bridge, Apastepeque Jurisdition, on the Pan-American Highway, FMLN guerrilla units ambushed a military convoy of three trucks transporting 3d Infantry Brigade troops. The ambush was carried out with Anastacio Aquino mines at 1715 on 28 October.

Using the second truck as a target, the FMLN units inflicted 12 casualties including dead or wounded, and destroyed one of the trucks. As usual, the enemy responded with crazy and useless shooting.

Guatemala

Cerezo Helicopter Makes Emergency Landing 27 Oct

PA2810170488 Panama City ACAN in Spanish 1549 GMT 28 Oct 88

[Excerpt] Guatemala City, 28 Oct (ACAN-EFE)—The helicopter in which Guatemalan President Vinicio Cerezo and a group of government officials and Army chief of staff members were traveling had to make an emergency landing because of bad weather along Guatemala's southern coast and because the aircraft was running out of fuel, unofficial sources informed ACAN-EFE today.

The Army's Press and Information Office and the presidential Public Relations Office are investigating the incident and will issue an official statement today on the mishap.

The president and his retinue were returning from a visit to the eastern Quezaltenango Department where they had inaugurated several municipal projects. During their return flight to Guatemala City on Thursday, bad weather forced the pilot to fly over the area searching for a less dangerous route.

According to the unofficial report, after overflying the area on Thursday for over an hour, the helicopter made an emergency landing in Sipacate, Escuintla Department, located in Guatemala's southern coastal region. Vinicio Cerezo was traveling with Specific Affairs Minister Sara Mishaan; Coatepeque Mayor Antonio Ochoa; and Army chief of staff members. [passage omitted]

Government Reports IMF Loan, Financial Backing
PA2910042588 Guatemala City Teleonce Television in Spanish 0400 GMT 28 Oct 88

[Excerpt] The government today announced that it has obtained approval for a loan of $98 million from the IMF. The president of the Guatemalan Central Bank said that the loan includes $28 million to compensate for the loss of export income and a standby credit to support the balance of payments and help keep the country's debt payments current. He said it represents a guarantee that is expected to help Guatemala renegotiate its foreign debt and obtain additional financing. [passage omitted]

Honduras

Labor Leader, Azcona Announce End of Strike
PA3010175088 Panama City ACAN in Spanish 1605 GMT 30 Oct 88

[Text] Tegucigalpa, 30 Oct (ACAN-EFE)—A strike involving 40,000 Honduran public employees, which began on 26 October to demand Civil Service Law amendments that had been requested from the Congress for more than 1 year, ended today.

Obdulio Chevez, president of the National Association of Honduran Public Employees, announced over a national radio network that all state employees must resume work early tomorrow.

In the same radio network, Honduras' Liberal President Jose Azcona revealed a number of commitments favorable to public employees and urged the Congress to discuss as soon as possible amendments to the Civil Service Law during two pending debates.

Azcona also instructed the heads of all state entities not to level disciplinary measures or retaliate against employees who participated in the strike.

Chevez said the strike was suspended after Congress approved amendments to the Civil Service Law in the first debate; however, he warned, there are two pending debates and only decisions made in the third and last one will produce favorable amendments.

Chevez added that the strike committee will remain on alert to ensure their achievements will not be hampered or politicized. Therefore, he added, the strike suspension is nothing more than "a waiting period and not a renunciation to our rights."

The public employees obtained 14 months of salary—that is, payment of vacation time as if they had worked during that month and a 13th-month bonus. They also obtained progressive annual salary increases in keeping with inflation.

Also, laborers and employees working under contract for state entities in 1989 will be protected by the Civil Service Law.

This agreement was reached after several hours of discussions at the Presidency and in the face of a possible expansion of the strike tomorrow as several other labor unions had decided to join it.

Azcona News Conference on 1989 Budget, Strike
PA2810195788 Tegucigalpa Televisora Hondurena in Spanish 0205 GMT 28 Oct 88

[News conference with President Jose Azcona and unidentified reporters at the presidential palace in Tegucigalpa on 27 October—recorded]

[Text] I have called you all to this impromptu news conference to clarify certain things about which [words indistinct] concerning the Honduran public employees strike, the report presented by the Civil Service Directorate with the consent of the Council of Ministers, and the 1989 draft budget sent by the Executive Branch to the Legislative Branch for its approval.

Concerning the draft budget, I would like to tell you that the section on revenues in the 1989 draft budget is estimated on the basis of an 8.4-percent growth rate. [words indistinct] a [word indistinct] growth.

That growth rate was estimated without taking into account the creation of new taxes or an increase in current taxes. I would like to tell you that our limits are completely based on [words indistinct]. A comparison of 30 September 1988 statistics with 30 September 1987 statistics shows that our growth rate was not 8.4 percent—a figure on which we based revenue estimates for the 1989 draft budget; instead, the growth rate was 9.1 percent. In other words, we are on the [words indistinct] concerning our 1989 revenue estimates.

Concerning expenditures, we have learned that some say the draft budget sent to the National Congress includes a secret allocation of (?5) million lempiras. That is absolutely false. That is one of the reasons I called for this news conference. I have the 1989 draft budget here with me. The items classified under general presidential administration expenses do not include such secret funds.

If anything, the overall allocation of funds for national defense expenditures is the only one that could be considered as secret funds. We have allocated 600,000 lempiras in secret funds for national defense, but never 5

million lempiras as has been said. The amount of the secret funds for defense in the 1989 budget is the same as was allocated in the 1988 budget.

For that reason, I describe the statements made by the National Congress President [Carlos Montoya] as completely irresponsible. I reject such statements. The budget is there. I want him to show me where those secret funds he is referring to are, because I do not see them in this document. His statements are completely false.

There are discretionary funds [partida discresional], the use of which has to be directly approved by the president. Those funds are used for national defense expenditures. In that way [words indistinct] of the Republic, compensation for [words indistinct] work, 5,000 lempiras; entertainment allowances, (60,000) lempiras; medical services, 50,000 lempiras; travel allowances, 30,000 lempiras and [words indistinct]. All funds paid out must have the direct prior authorization of the General Treasury Department and the National Budget Directorate. The only funds that can be drawn down without the National Budget Directorate's authorization are the general funds used for national defense. That is all I have to say.

[Reporter] [Words indistinct]

[Azcona] I prefer to think that there was no bad intent in those statements regarding the budget. I want to believe that the National Congress president has not carefully studied each of the allocations but has merely scanned the draft budget. That is the only thing that could excuse such statements. We must give him the benefit of the doubt and not assume that the National Congress president made those statements with bad intentions. It is not true that the Executive Branch did not send a recommendation to the Legislative Branch. I have it here in my hands, and I am going to read it to you:

Recommendation:

Whereas:

That through Decree No 126 issued on 3 November 1987, the law regulating the civil service was created to establish a national civil service system and to regulate relations between the citizens and the state;

That in addition to the commissions, which are [words indistinct) legal [word indistinct] must be registered and adapted to our administrative and socioeconomic reality;

That for the public administration to be dynamic and efficient, to adapt to users' needs and the deficiencies of state services, and to guarantee the treatment that civil service employees deserve, it is necessary to amend that law. Those amendments must improve public administration;

That, as the organization in charge of enforcing the civil service law and other laws based on the principles of the aforementioned law, the Civil Service Directotare must implement norms and policies to fulfill the needs created by the process of administrative, social, and economic development.

Therefore, the Civil Service Directorate of [words indistinct] by virtue of articles 7 and 62 of the Civil Service Law, has issued a favorable ruling; a favorable ruling, but finally a ruling. It favors certain amendments to the law mentioned in the following [words indistinct].

It also requires the payment of the 14-month bonus. We are experiencing problems approving the budget and in light of our international problems and commitments, we removed that element and left the law as it was.

We broadened coverage for unemployment assistance and the prior notice [preaviso]. We also introduced the concept of loss of earnings for those employees who are dismissed without justification and who are currently not receiving compensation for lost earnings.

However, we limited the lost salary compensation in the amendment to 6 months, because a person can resort to the Civil Service Council and then to the Administrative Disputes Court and receive a ruling within 6 months. As a result, an employee who has been unjustly fired and then reinstated will receive back pay; and if an employee cannot be reinstated he will receive a [word indistinct] in accordance with the amendments made here, that is, (?a million) for each year of service up to a maximum of 8 years, as specified by the Labor Code, and 2 month's prior notice. On top of that, he would get a proportional part of his vacations and so on.

If the National Congress reads our ruling closely and convinces the workers to accept it—as I believe they will for the sake of national peace—the problem could be solved by tomorrow.

[Reporter] [Question indistinct]

[Azcona] My hands are virtually tied. It is not true that [words indistinct] responsibility. This draft law—regardless of whether it is good or bad, wrong or right—was introduced in the Legislative Branch by a deputy and has been in their hands for the past year—since last November—but it was not until Monday afternoon that the Executive Branch learned about it.

Nevertheless, we proceeded so quickly that a ruling was handed down this morning in response to the draft presented by the public employees. If there is no solution, God only knows what could happen in Honduras, because as I said yesterday, the public employees are being stubborn and irresponsible—because we will not [words indistinct] irresponsibly—and the National Congress is also being stubborn; it is not trying to solve this problem. It is out of my hands.

[Reporter] [Words indistinct] to solve that problem, there would be new taxes without a devaluation of the lempira?

[Azcona] That story about the 300 million [currency not specified] is not true. We would need between 40 and 48 million to give the workers what they want, that is, double pay for vacations. However, we are not currently considering this.

Therefore, there will not be an impact of that magnitude [words indistinct]. With this amendment we are guaranteeing job security to public employees. Since this will not involve a further burden on the central government we will have to accumulate the public employee contributions, which will continue to grow for 8 years of service.

Employees who already have 8 years of service will not increase the liabilities of the state any further; this is an unaccounted liability, but a liability anyway. There are other repercussions. A worker would earn twice as much after being fired [as heard].

Beginning today, and this has been true during this administration in many respects, public employees will have as much job security as private sector employees or those in state decentralized organizations.

The ruling issued by the General Directorate and the Civil Service Council that was approved by the Council of Ministers has one object: to give job security to public employees.

[Reporter] [Question indistinct] taxes?

[Azcona] This does not mean taxes must be increased because we made a commitment. Congressmen should analyze the figures, not just give their opinion without being informed. That is just what happened. The budget bill had not yet been distributed when deputies made totally inaccurate and groundless statements.

We are committed to reduce our fiscal deficit by between 1.8 and 2 percentage points of our GNP in 1989. The budget bill we sent to the National Congress will enable us to meet this goal, even if the bill is approved in its entirety.

The proposed budget does not include added expenses for bureaucracy or to create new positions. It only includes present commitments derived from laws already approved by the current and previous National Congresses. Among those commitments, I can mention the medical statute, the teachers' seniority law, the 6 percent budget assignment for the university established by the Constitution, the 4 percent budget allotment for Honduran ports, an initiative of the National Congress. There is no other budget increase except for those commitments. Those are the only new expenses to be included in the budget.

The estimated income figures, as I said, are conservative. Although we have estimated a growth of 8.4 percent, we expect to surpass that figure as we did in 1986 and 1987.

[Reporter] [Question indistinct]

[Azcona] A couple of days ago I learned of plans to forcibly occupy the ministries. My duty as president of the Republic is to safeguard the government institutions. I, therefore, asked General Regalado Hernandez to enhance security at all the ministries.

[Reporter] [Question indistinct]

[Azcona] As I said, although it would be very easy for the Executive Branch to accept their demands, meeting all their demands would have an impact on the budget of several million lempiras.

[Reporter] [Question indistinct]

[Azcona] Well, much of the income we have failed to collect will be collected within the next few days. For example, in the area of import taxes, seven ships arrived in Puerto Cortes yesterday with merchandise that has not yet passed through customs due to the strike. The greatest impact is on the country's image. Investors, businessmen, and creditors think twice before investing in a country where public employees can suddenly paralyze commercial activities. That projects a very negative image. The damage is already done, so what we should do now is to help solve the problem. We are willing to do our part. [3-second break in reception]

[Reporter] ... years politics have been somewhat exaggerated in our country. Based on that, the National Congress has approved draft bills that have had an impact on the nation's budget. At this stage—taking these factors into consideration—does this mean that in the near future it will be quite difficult to reply to some demands, including those from public employees, if the current situation continues—taking into account Honduras' economic situation?

[Azcona] I must say that to talk about the fiscal deficit is outdated. Everybody talks about fiscal deficits now, but no one is honest enough to say that this government is not to blame for the Honduran fiscal deficit and that previous governments must assume the larger share of the blame for it. This government has reduced the fiscal deficit from 9.2 percent of GNP in 1985 to 8.1 percent in 1986, then to 7.2 percent in 1987. How much more do you think we can reduce it and maintain a climate of tranquillity in the country—to 6 or 6.5 percent.

We have a commitment with the World Bank, a very serious commitment. From [number indistinct], we will reduce it by 1.8 percent. In other words, we will reduce our deficit to 4.7 percent of GNP. This goes to show that although the fiscal deficit is a serious problem in Honduras, it has not worsened during my administration.

I speak with numbers. I am going to demonstrate with charts that the growth in expenditures from 1968 to 30 September 1988 has gone up 4.5 percent. As I told you before, revenues have grown 9.1 percent. This means that far from getting worse, as the National Congress recklessly claimed, the deficit is declining compared to the previous year.

[Reporter] [Question indistinct]

[Azcona] You should ask him. I have not done anything to him. [4- second break in reception]...fully to the Legislative Branch. I require the members of the Legislative Branch to be just as respectful of the Executive Branch and the president. This is not because Jose Azcona or anyone else is president. This means that (?not even) the people here know from whom those disrespectful and sometimes ill-intentioned remarks originate. The president of the Republic has acted in a different manner with the the members of the Congress. They deserve my respect. I am not a stumbling block to reach an (?agreement).

[Reporter] [Words indistinct] Mr President, was it the Congress that proposed beginning the campaigns before the internal elections within the political parties and having the general elections within a prudent period of time? I believe that the campaigns are to begin 3 months before the internal elections, and 1 year before the general elections. How do you feel about that?

[Azcona] The experience of the past 3 years has been very educational in this respect. I think that this initiative deserves the total support of the National Congress, regardless of who comes to occupy my place on 27 November 1990. Here you have the charts I was mentioning before. If you come closer, you can see them. Here we have the revenues and expenditures. Here we have the expenditures first plus our revenues. We collected 1.0449 billion lempiras in regular revenues, while estimating that we would collect 1.024 billion lempiras. We collected 20.9 million lempiras more than we had projected. Here we have in September 1987—here are our revenues for the 1987-88 period...[changes thought]. As of 30 September 1987, we had collected 958 million lempiras, while as of 30 September of this year we have collected 1.0449 billion lempiras. Here you have the breakdown of that increase, including the 9.9 percent revenue increase I mentioned to you earlier.

Despite this situation, we must note a very important development. Last year, as of 30 September, we had collected 47.3 million lempiras in coffee revenues. However, this year we collected only 20.4 million lempiras. This drop was caused by a decree issued by the Legislative Branch. This decline was offset by increased revenues of 21 percent over last year —as well as a 39.5 percent increase in property taxes, from which we collected 10.6 million lempiras this year compared to 7.8 million last year, and so forth and so on, until we can see where we are now—a 9.1 percent increase over last year.

We are going to talk about something that is discussed a great deal. In regular expenditures, we have had a 4.5 percent increase; however, in [words indistinct] of the budget, we have a growth of 2.8 percent as of 30 September [year not given]. We had a 2.8 percent increase compared to a 9.1 growth in revenues. Now, if the plan is to dismiss public employees en masse, that will certainly create problems for the next president. I do not think one can dismiss a public employee without giving him his fringe benefits just as a private business does for any employee. That is [words indistinct] a different situation. However, if we want job stability for public employees, we must not be so negative about approving the Executive Branch proposal instead of the one submitted by the employees.

[Reporter] Any final comments?

[Azcona] Just to ask the Honduran people to be calm. We again ask employees to return to their jobs. We understand the situation will necessarily be settled in their favor, although not as they had asked. This situation will no doubt have a favorable outcome for them. Yet their position runs counter to peace and to a settlement that will be positive for them. Again, I ask them to return to work as soon as possible to prevent causing greater harm to our [word indistinct].

National Congress President Interviewed on Strike

PA2910164988 Tegucigalpa Voz de Honduras Network in Spanish 1800 GMT 27 Oct 88

[Interview with National Congress President Carlos Orbin Montoya by Jose Danilo Izaguirre in Tegucigalpa on 27 October—live or recorded]

[Excerpts] [Passage omitted] [Izaguirre] Mr Montoya, when you say that you will not negotiate under duress, are you implying that there is no way to resolve the conflict with the ANDEPH [National Association of Honduran Public Employees]? If employees do not change their minds and go back to work, then there will be no solution?

[Montoya] They must stop the strike today. We are going to negotiate a solution to their problems that will satisfy their demands if we can do so without harming national interests. We will provide more benefits to the public sector at a pace commensurate with the government's economic recovery. We have offered them a 25-percent increase per year, with the entire public sector taking part in the benefits within a 4-year period. We have presented a draft resolution to allow unemployment benefits to be available on an open-ended basis. The ANDEPH is talking about 8 years; we would go even further than that. We are not against what they are asking for.

We want public administrators to assume responsibility for determining where those 37.7 or 60 [not further identified]—figures supplied by our advisers—are to be

included in the budget, if there will be a savings in public spending, and if the indefinite position regarding the fiscal deficit will be maintained. As I have said before, to date the government is overspent by about 200 million lempiras.

[Izaguirre] Mr Montoya, has the government been too soft? Has it granted too many concessions only to then dump the problem on Congress?

[Montoya] I think the government has been a little careless in foreseeing the consequences. I shall give you an example: [Efrain] Bu Giron [Minister of Finance and Public Credit] said the impact [of the government's concessions] will be minimal and that the government is not going to fire anybody. He cannot say that—the government payroll is huge. [passage omitted]

[Izaguirre] I want to clarify something: Yesterday you were accused of not wanting to talk to government workers, of being rude to them, and of forcing them to break off the talks. How true is this?

[Montoya] No, not at all. The talks were unscheduled and were conducted with the same informality that has always characterized our meetings with labor leaders. When they said that either we resolve their demands immediately or else they will not lift the strike, there was nothing further to discuss. I had to attend to the urgent problem of the foreign debt; I had to deal with consumer legal problems; I had a Democratic Institute representative visiting from Washington; I had problems with the COHEP [Honduran Council for Private Enterprise]. We are very busy; we cannot meet endlessly to discuss the same thing. If they insist on doing so, then our position is to not approve or discuss anything under such pressure. [passage omitted]

[Izaguirre] Mr Montoya, you told me the other day that your relations with the president are cordial, but I have my doubts when I see how you attack each other in Congress. Is there not an understanding between the Congress president and the president of the Republic that matters such as this one with potentially enormous repercussions on the nation's economy should be analyzed rationally? The president shouts something and then Congress says that it will not approve anything. What is really going on?

[Montoya] We received the civil service reform bill by way of Deputy [Rafael] Pineda Ponce. He presented it, but we could not discuss it without first discussing the budget. We only received the budget quite recently, and we sent the Civil Service Directorate a note asking them to explain things. We could not approve these reforms before learning if the Executive Branch had included these new expenditures in the budget. These additional expenditures do not appear to be allocated in the budget. Now that we have started to discuss the bill, the ANDEPH—manipulated I believe by political groups—decided to start these strikes to pit the public workers against the Congress president and to try to make it seem as if the Congress president is against public workers. This is not true. What we are doing is trying to get things to work out in the best way possible so as not to harm the country or the public workers. It is the public worker who will lose out if cost of living increases become so uncontrollable that he will not be able to enjoy the true value of his paycheck. [passage omitted]

Regalado on U.S. Aid, Contras, Communists

PA2810142188 Panama City ACAN in Spanish 1548 GMT 27 Oct 88

[Report by Andreu Claret Serra on "exclusive" interview with General Humberto Regalado, chief of the Armed Forces; date and place not given]

[Excerpts] Tegucigalpa, 27 Oct (ACAN-EFE)—General Humberto Regalado, chief of the Honduran Armed Forces, referred to his country as "the Latin American Korea" during an interview in which he described Nicaragua as the "beachhead of the communists in Central America."

In exclusive statements for ACAN-EFE, Regalado said the comparison with (South) Korea is based on the fact that "Honduras is the only Latin American country with an Army that borders on a communist country" (the other country bordering on Nicaragua is Costa Rica, which has not had an army for 40 years).

"Our border with Nicaragua is an ideological border," said Regalado, adding that the Sandinists have 300,000 men under arms, "more than Honduras, El Salvador, and Guatemala combined."

During the interview, Regalado accused the Sandinist regime of financing "agents" to "attempt to create friction among the ranks of the Honduran officer corps."

Asked to describe one of these "agents," Regalado replied none had been apprehended yet, but he reaffirmed the charge and said the Honduran military intelligence had "discovered this work in time." [passage omitted]

Regalado said "Nicaragua's hand" is even behind the charges lodged in the last few years against the Honduran military for presumed involvement in narcotics trafficking.

"They are trying to involve us in narcotics trafficking," said Regalado, according to whom this charge is "another strategy" to "destabilize the Honduran Armed Forces."

He emphatically denied that information published in that sense came from U.S. sources, and said "it came from Honduras itself."

He accused the "domestic left" of having added the subject of narcotics trafficking to "their traditional concepts," which are, according to the general, the presence of U.S. troops and the contras in Honduras and "human rights." [passage omitted]

Regalado denied the existence of "internal problems" in the Honduran Armed Forces, in reply to information reporting a certain amount of tension among the ranks.

"We are the institution that gives Honduras its stability," said the general, who rejected the assumption that the Army might again directly intervene in the country's political life, as happened 25 years ago, lasting until 1980.

Regalado conceded that the Senior Council of the Armed Forces (COSUFFAA)—composed of the commanders of battalions, air bases, naval bases, and other forces—is the place where "the first round of discussion is held regarding the Armed Forces' political position," but added that "we have have not been established to rule the country."

He explained that COSUFFAA "is studying several problems" and drafting "two or three alternatives," which will be submitted to President Jose Azcona.

Humberto Regalado also rejected the information, published in U.S. media, that Honduran-U.S. relations have deteriorated, especially since the attack on the U.S. Embassy in Tegucigalpa on 7 April 1988.

"We have felt no change," replied Regalado, who believes the de facto agreement existing between the two countries permits "the United States to consider an attack by a communist country against Honduras as an attack upon itself."

Asked about the consequences of a reduction in U.S. aid to Honduras, Regalado said "the suspension or reduction of the aid would not take from us the operational capacity we are seeking."

Asked about the future of the contras, of which there are 13,000 in Honduras, Regalado replied with a certain bitterness: "Let the countries that do not want the counterrevolution to exist take them."

"They are Nicaraguans, not Hondurans," said the general, who believes "the morale of these people is very high." [passage omitted]

Nicaragua

Visa Denial 'Old Plan' To Isolate Nicaragua

PA2810232288 Managua EL NUEVO DIARIO in Spanish 26 Oct 88 p 14

[Unattributed article: "The United States Declares a 'Visa War'"]

[Text] The order U.S. President Ronald Reagan signed yesterday, which bans the entry of Nicaraguan diplomats and other government officials to the United States, is not new or limited to denying U.S. visas to those officials. It is part of an old plan by the CIA to try to isolate Nicaragua and affects all Nicaraguan citizens.

A reliable source close to the Nicaraguan opposition political parties made that remark to EL NUEVO DIARIO. This source noted that as part of that CIA plan, U.S. visas were denied to the Nicaraguan beauty queen, the members of the National Choir, and a delegation headed by President Daniel Ortega Saavedra going to the United Nations to participate in the UN General Assembly.

The source, who is well informed about everything the U.S. Embassy in Nicaragua is up to, said Reagan's order, supposedly in reprisal for the Sandinist government's restrictions on the U.S. Embassy, is groundless. Rather than having a shortage of personnel in the U.S. Embassy's Consular Section, the U.S. Government has assigned the consular staff to supervise all the activities of the counterrevolutionary right wing.

The source explained that Nicaraguan citizens line up outside the U.S. Embassy several times a week because the embassy's staff is too busy planning provocations to be carried out by the opposition political parties, "on orders from above." These activities include the Nandaime case and others that have been reported in recent months.

Likewise, the source added, U.S. consular officials hope that the Nicaraguan citizens who are waiting in line to obtain U.S. visas will blame the Sandinist government for this situation. An embassy staffer always comes out to tell those in line that it impossible to see them due to a staff shortage. That is absolutely false and is part of the above-mentioned plan.

El NUEVO DIARIO discovered that the U.S. Embassy in our country has over 45 officials, 31 of whom are permanently stationed here. One is here temporarily. There are seven dependents and seven Marines. Contrast this figure with the staff of our embassy in Washington, which has 15 persons, including the secretaries.

It was revealed that five persons have been authorized to handle consular affairs at the U.S. Embassy in Nicaragua. They are Consul General Wayne Griffith, Consul Atim Ogumba, Deputy Consul Allan Kinsmen. Anne Wright, and Christopher McMullen. Wright, Kinsmen, and McMullen have been transferred from the Consular Section to carry out political activities closely tied to the country's political opposition.

Christopher McMullen has been seen many times at meetings of the Confederation for Trade Union Unity and the Permanent Workers' Congress. These organizations are both counterrevolutionary, and the diplomat coordinates their activities with those of the Ramiro Sacasa Guerrero Democratic Coordinating Board, the most important reactionary organization operating openly within our country.

The source added that, theoretically, the U.S. Embassy in Managua has 11 persons—including six Nicaraguans—working in the Consular Section. All of them, however, have orders not to assist anyone unless he is a major opposition party leader such as Erick Ramirez. In special cases, Catholic Church representives also are supposed to be assisted.

The source recalled that in 1984 and 1985, when a greater number of persons were emigrating from Nicaragua, the U.S. Embassy in Nicaragua was able to handle the workload with a staff of only four. It is therefore inconceivable that the Embassy now says it cannot keep up with the demand for visas because of a personnel shortage in the Consular Section, which has a total staff of 11.

Ortega on Storm Damage; 'Imminent Contra Attack'
PA2910003188 Panama City ACAN in Spanish 2355 GMT 28 Oct 88

[Text] Managua, 27 Oct (ACAN-EFE)—Nicaraguan President Daniel Ortega today released a provisional report on the damage caused by Hurricane Joan and announced an "imminent contra" attack against Nicaragua.

Accompanied by five FSLN National Directorate commanders—Humberto Ortega, Bayardo Arce, Victor Tirado, Carlos Nunez, and Tomas Borge—and members of his cabinet, Ortega addressed members of the diplomatic corps accredited in Nicaragua and the foreign press to request more international aid for the Nicaraguans affected by Hurricane Joan.

Ortega also asked the international community for its mediation in light of a new attack by 3,000 "contras" who, according to Ortega, are at the Honduran border ready to launch an attack against his people "in this difficult time."

"The international community must demand that the U.S. Government forget its plan to attack Nicaragua. The contras have been equipped by the Reagan Administration and are ready to attack at any moment," the Nicaraguan president added.

"We know that the rebels have been ordered to hinder the reconstruction work that is being done to help the people affected by the hurricane. They have also been ordered to sabotage the coffee harvest activities. The biggest help the Yankee government could give the Nicaraguan people would be to stop the attack," the president stressed.

Ortega announced that while his country was being hit by Hurricane Joan, the contras carried out attacks and killed five civilians.

Regarding the damage caused by the hurricane, Ortega said that this coming week, an ECLA team will arrive in Managua to make "final" evaluations on the damage caused by Joan last week.

International aid "is necessary and urgent because the situation is chaotic," Ortega added, stressing the role played by Cuba in helping his people.

He said that Cuba sent 24 planes to Nicaragua with food, medicine, and medical teams; Mexico sent 2 planes; and Spain, Great Britain, Panama, and Belgium each sent one; for a total of 2,052 tons of aid.

Giving a provisional report on the damage, Ortega said there were 116 dead, 178 injured, 110 missing, and 29,152 houses destroyed as well as damage to agriculture and fishing.

He stressed the damage to the ecology because thousands of hectares of forest were destroyed. He said that European technicians will travel to Nicaragua next week to evaluate the damage.

Ortega said that to face the hurricane, the country used the defense system it would use to repel a military attack and that thanks to this, many human lives were saved.

Vice President on Relations With U.S.
AU2810190588 Hamburg DIE WELT in German 28 Oct 88 p 7

[Report by Hanspeter Oschwald on interview with Vice President Sergio Ramirez Mercando: "We Do Not Want To Challenge the United States"—in Bonn, date not given]

[Text] Bonn—Nicaragua's Vice President Sergio Ramirez Mercado expects better relations with the United States, "no matter whether Bush or Dukakis is elected." The 46-year-old is currently touring Europe to explain the peace process in his country, and also to collect relief funds for the damage caused by Hurricane "Joan."

Following talks with presidium members of political parties in Bonn on Wednesday [26 October], a meeting with Wolfgang Schaeuble, minister in the Chancellor's Office, and Foreign Minister Hans-Dietrich Genscher was on his agenda yesterday, and afterwards, he will visit Frankfurt, Hamburg, Oslo, and Stockholm.

Ramirez said in an interview with DIE WELT in Bonn that the most important prerequisite for ending the war in Nicaragua, "which nobody wants anymore," is "direct dialogue with the new U.S. Administration." Without a change in the U.S. attitude toward Nicaragua, the war will continue.

The ice resident said that "Nicaragua wants understanding and, in the long run, stable relations with the United States." "I do not believe that the catalogue of topics will

be very difficult for the new U.S. Administration. If the United States is worried about security in Central America, we will discuss it. We can dispel fears about the U.S. security being threatened by another power." Ramirez added: "We do not want to challenge the United States, but we want it to guarantee Nicaragua's security."

The interview with Ramirez took place only several hours after a press conference during which Jose Esteban Gonzales, chairman of the Nicaraguan Human Rights Committee, levelled serious charges against the Nicaraguan Government. Despite some positive steps, national reconciliation suffered a standstill and a setback in 1988 because of restrictions in the freedom of information, the repression of trade unions, actions against the Catholic Church, and compulsory recruitment, he said.

Ramirez said that the Sandinists came to power through a revolutionary process. However, democratization has been stabilized in the mean time. Ramirez said that "elections will be held in 1990 to elect the National Assembly, the president, and the vice president. If the Sandinists lose, we will cede power. That is how it is in elections." He is convinced that a large part of the 18 parties will take part in the elections.

Contrary to other Central American countries, the mass media in Nicaragua work legally. "Opposition politicians do not disappear and are not found dead." In the summer, opponents were arrested during demonstrations, because serious damage had been done. "They will be given a correct trial." The Nicaraguan police never fired on the people, as was the case elsewhere.

Ramirez does not believe that the contras have any chance of survival, "if aid from the United States stops." He does not anticipate any negative consequences from the change in the Soviet Union. Soviet economic aid is being continued unchanged. "It is based on long-term agreements. Nothing has changed about it. Ramirez ends the interview optimistically: "Conflicts have been resolved worldwide. Why should this not be possible in Nicaragua as well?"

Defense Ministry Reports Contra, Honduran Attacks

PA2910223488 Panama City ACAN in Spanish 2158 GMT 29 Oct 88

[Excerpt] Managua, 29 Oct (ACAN-EFE)—A spokesman for the Nicaraguan Defense Ministry told ACAN-EFE today that three soldiers and an undetermined number of civilians have been killed in ambushes carried out by armed resistance fighters.

The source said that on Friday, counterrevolutionary guerrillas ambushed Sandinist troops at Valle El Jocote and Aguas Calientes, in Jinotega Department on the Honduran border, killing three unidentified soldiers.

The source said the contras carried out another ambush today in the San Juan del Rio Coco area, Madriz Department, on the Honduran border, where they killed several civilians.

The same source said the authorities are gathering more information about this latest ambush, which is attributed to the anti-Sandinist rebels.

In addition, the Defense Ministry said the observation post at Murupuchi, in Nueva Segovia Department, also on the Honduran border, was attacked for the 14th time this month on Wednesday "by members of the Honduran Army" with .50-caliber machineguns and 81-mm mortars.

The official report does not provide figures on Sandinist casualties as a result of this new "harassment" of the Nicaraguan position that is near the Honduran border. [passage omitted]

Panama

Government To Halt Payments on Foreign Debt

PA2810183888 Panama City Domestic Service in Spanish 1645 GMT 28 Oct 88

[Text] In view of the 45-percent decline in the economy since last year, and reduced private investments as a result of U.S. aggression, as well as other negative circumstances, the Panamanian Government is definitely not making payments on its foreign debt at present, nor does it foresee being able to do so in 1989.

On the subject, Gustavo Gonzalez, minister of planning and economic policy, said that this is a firm decision that has been clearly stated internationally and has been directly communicated to the IMF.

However, on the local front, Minister Gonzalez said that the 13th-month bonus is a solemn government commitment that must be met, despite the government's well-known financial straits. He added that the government has given priority to the 13th-month bonus and the national emergency resulting from the recent natural disaster.

The minister commented on the direct and indirect effects of the U.S. Government's freezing of funds, highlighting, among other things, its inability to carry out commercial transactions involving letters of credit because of a lack of collateral, and the impossibility of carrying out inter-bank transfers.

This complex situation has led the government to resort internally, among other things, to the establishment of a common expense fund [caja comun de erogacion], a mechanism in which all state organization funds—whether centralized, decentralized, or autonomous—are incorporated into a single joint account as ordered by the government. This affects, among other organizations,

the IRHE [Institute of Hydraulic Resources and Electrification], INTEL [National Telecommunications Institute], the National Lottery, the Port Authority, casinos, and all other organizations without exception that are accountable to the common fund for their income and disbursements.

Delvalle Lists Terms for Relinquishing Presidency

PA2810233688 Paris AFP in Spanish 2141 GMT 28 Oct 88

[Excerpts] Punta del Este, Uruguay, 28 Oct (AFP)—Former Panamanian President Eric Arturo Delvalle, ousted in February after attempting to remove General Manuel Antonio Noriega from office, announced today that he is willing to set aside his aspirations of recovering the presidency if this will contribute to solving the Panamanian crisis.

In a letter addressed to the seven presidents attending the Punta del Este summit of the Group of Eight, Delvalle said that the fact that he has experienced "discomforts and dangers" since his ouster does "not mean that I am attached to the post."

"Your Excellencies can rest assured that I will not hesitate to give up my office if this will contribute to solving the Panamanian political crisis," Delvalle said.

However, Delvalle said that a solution to the political crisis must also reinstate the democratic system in Panama and remove from power "all those who have tyrannized the republic and exposed it to international shame and ridicule." [passage omitted]

In his letter, Delvalle also described the organization's decision to keep Panama out of the Group of Eight as "good and unavoidable." "It was the least the organization could do to protect its moral integrity, its political authority, and trust," Delvalle added.

Regarding the general elections scheduled for May 1989, former President Delvalle said that "the regime knows that most of the people oppose the regime, and it will not take the risk of allowing elections that are clean and free of bribery and physical coercion."

Delvalle's letter, dated Panama City, 24 October, was presented today at the Uruguayan Foreign Ministry by a Delvalle envoy.

Paper Criticizes 'Tuturo' Effort

PA3010213488 Panama City LA REPUBLICA DOMINICAL in Spanish 30 Oct 88 p 1-C

[Unattributed article: "Let Us Flush the Insolent and Treacherous 'Tuturo' Delvalle Down the Yankee Toilet"]

[Excerpts] [Passage omitted] Two days ago, the yankees ordered "Tuturo" [nickname for Panamanian President Eric Arturo Delvalle] to open his horse's mouth again. They wrote a letter for Delvalle to sign, addressing it to the Latin American presidents meeting in Punta del Este, Uruguay. The letter announces the puppet's willingness to relinquish his return to the presidency if it will help solve the Panamanian crisis. As preconditions for this, the letter requests that "a democratic system be restored in Panama" and that anyone who tyrannizes the republic—according to "Tuturo's" masters—be dismissed.

The letter's wording betrays its authors and their insolence. The text of the letter portrays "Tuturo" as applauding Panama's exclusion from the Group of Eight. He thus gives his formal approval to the Reagan administration's meddling in our domestic affairs and its abominable interpretation of Panamanian constitutional norms. According to the letter, "it [Panama's exclusion from the Group of Eight] was the only way of safeguarding the moral integrity, political authority, and trustworthiness of this international Latin American institution."

This letter was written based on the premise that the heads of state meeting in Artigas' [Uruguayan independence hero] homeland are as ignorant and wretched as "Tuturo." Bear in mind that upon returning from the Group of Eight's first meeting in Acapulco (Mexico), "Tuturo" defended the U.S. Army Southern Command—a strategic arm of the United States' permanent war threat against the Latin American people—saying it had the right to remain in Panamanian territory. That fact alone leads us to believe that the Latin American leaders will not even consider "Tuturo's" request. To do so would be shameless and would subject them to the scorn of the world's nations.

Those who wrote the letter surely must have analyzed "Tuturo's" personality. To get him to sign the letter willingly, the text of the letter has him saying that "the inconveniences and dangers" he has experienced since his dismissal "have in no way attached him to the position." These phrases please the microcephalic "Tuturo." He indeed feels he has suffered inconveniences. He is no longer able to go to the racetrack or smell his fillies. He is no longer able to experience the pleasure of seeing his colts win races. He can no longer impose his arrangements, whether or not his friends' backsides are at stake. When the letter mentions the "danger" implied in his treacherous and subservient attitude, it reveals "Tuturo's" cowardice—the panic he feels, the terror that overcomes him—because he knows the Panamanian people are aware of the crimes he has committed against his homeland. [passage omitted]

[Article is accompanied by a 3 by 4 inch photograph of Delvalle captioned: "Fetid excrement named 'Tuturo'"]

Solis Says U.S. Seeks To 'Destabilize' Nation

PA3010043688 Panama City Televisora Nacional in Spanish 2300 GMT 29 Oct 88

[Text] Manuel Solis Palma, Panamanian minister in charge of the Presidency, told Mexican television stations that the U.S. Government's assertion that Panama poses a threat to U.S. safety is an attempt to justify its actions.

In an interview with Geraldo Unzueta of Mexico's Red Nacional 13 Imevision Television, Solis said the U.S. Government does not really intend to comply with the Torrijos - Carter treaties, and that the U.S. Government is trying to destabilize the current Panamanian Government in order to bring to power Panamanians who will agree to cancel the treaties or at least eliminate their essential parts.

Referring to Panama's geostrategic and geopolitical importance to the United States, Solis said the U.S. military bases in Panama have allegedly become vital for the canal's defense, but in reality they are used to control the continent. He added that conditions have changed and that this is why the United States is seeking to establish a Panamanian Government willing to let the U.S. military bases remain in the country beyond the year 2000. This permanence, however, would not entail any additional concessions to Panama, greater trade between the two countries, or recognizing Panama's strategic value and its right to reap the benefits derived from this value.

Finally, Solis advocated better trade and economic relations with other countries to baiance Panama's dependency on the U.S. market. This would be Panama's response to the U.S. aggression.

Justice Minister on U.S. 'War of Disinformation'

PA2710191788 Mexico City EL DIA in Spanish 24 Oct 88 p 12

[Excerpt] Mexico City, 23 Oct (XINHUA)—Panamanian Justice Minister Rodolfo Chiari de Leon said here today that what lies beneath the U.S.-Panama conflict is the U.S. intention of not honoring the canal treaties. According to these treaties, Panama will gain total control of the canal in 1999.

Panama's justice minister arrived in Mexico City today to attend the 7th meeting of the Hispanic-American Confederation of Justice Ministers, which will be held in Acapulco on Monday [24 October].

The Panamanian official said the United States is currently waging a war of disinformation against Panama. According to Chiari, the United States is trying to present a false image of Panama in order to create the conditions it neds to disregard the 1977 treaties signed by Panama's Omar Torrijos and former U.S. President Carter.

Chiari reiterated Panama's determination to attain total and definitive sovereignty over the canal. Panama's justice minister said Panama will succeed in this undertaking thanks to the support of countries like Mexico. Rodolfo Chiari said that because the U.S. people will learn the truth in the long run, Panama is certain it will manage to achieve total sovereignty over its territory.

For his part, Panamanian Attorney General Carlos Villalaz said Panamanians know the U.S. Government has a plan for aggression against Panama to block the treaty. However, Panama will fight back and is aware that the next 12 years will be difficult and will bring all kinds of aggression. The Panamanian people's determination and belief that the U.S. people will compel the U.S. Government to abide by the treaty make them certain that Panama is going to regain control of the Panama Canal. [passage omitted]

FRG Politician Denounces Human Rights Situation

PA2910230288 Hamburg DPA in Spanish 2352 GMT 28 Oct 88

[Text] Panama City, 28 Oct (DPA)—Heiner Geissler, secretary general of the FRG Christian Democratic Union, called the Panamanian Government "a dictatorial regime" and condemned the human rights situation during a news conference today.

Geissler, who is on the second and last day of his visit to Panama, stated that his presence in Panama City is an expression of international solidarity with the Panamanian people and the local Christian Democratic Party.

The FRG politician compared the Panamanian Government with the Cuban, Nicaraguan, Paraguayan, and Chilean regimes.

The FRG Christian Democratic Union secretary added that he had a confidential meeting with Papal Nuncio Sebastian Laboa and a meeting with the members of the Panamanian human rights committee.

Geissler added that he has asked FRG Chancellor Helmut Kohl to denounce the Panamanian human rights situation at the next UN Human Rights Commission meeting.

Geissler also said he will denounce the Panamanian human rights situation at the OAS Inter-American Human Rights Commission.

With regard to the upcoming Panamanian presidential elections, Heiner Geissler said the reopening of the closed media and respect for citizens' rights are necessary. The FRG politician said it is necessary to have international observers to avoid fraud in the presidential and parliamentary elections scheduled for 7 May 1989.

Geissler stated that Panamanian economic problems would be solved if the Panamanian military respected the validity of democratic liberties.

The FRG politician promised to make every effort necessary with the FRG Government to help Panama recover economically once democracy is reestablished in Panama.

Heiner Geissler, who arrived in Panama after visiting Chile, met with various Panamanian opposition political parties, the Civic Crusade, the church, and members of the human rights committee. Geissler will leave for Costa Rica this afternoon and will subsequently visit Venezuela and El Salvador.

Salvadoran Archbishop, FMLN To Hold Talks

PA3010165988 Panama City ACAN in Spanish 1405 GMT 30 Oct 88

[Excerpt] Panama City, 30 Oct (ACAN - EFE)—San Salvador Archbishop Arturo Rivera y Damas arrived in Panama from Europe this morning. He has come to Panama to meet with two of the top FMLN leaders.

According to statements by Rivera y Damas upon his arrival in Panama, the objective of the meeting is to inform the FMLN leaders of the results of the "national debate" promoted by the Salvadoran church to seek a negotiated solution to the Salvadoran armed conflict, which began in 1980 and has taken the lives of over 60,000 people.

Rivera y Damas, who will meet with FMLN Commanders Leonel Gonzalez and Joaquin Villalobos, said: "We are coming here to fulfill our duty to present the results of the debate to all the groups and organizations involved in it, including the FMLN."

The "national debate" took place in September with the participation of 59 social groups—including associations, academic groups, labor unions, and humanitarian organizations—and concluded with a "final document" that advocates a negotiated and peaceful solution to the Salvadoran conflict and calls for the FMLN to join the country's political life.

The Salvadoran archbishop, who stressed he "does not bring a message from Salvadoran President Jose Napoleon Duarte this time," is accompanied by Adveniant Director Emile Stehle. Adveniant is a German ecclesiastical organization that helps several Latin American churches.

Upon his arrival in Panama, Stehle, who will participate in the meeting with the rebel leaders, denied he is to be present in the meeting as a papal representative, as various sources have said.

Ecclesiastical sources, however, insist the presence of the German prelate, regarded as close to the Vatican and who has participated in previous talks with the Salvadoran guerrillas, gives him a special mediating role in the meeting in Panama. [passage omitted]

FMLN Leaders View Talks

PA3110040288 Panama City ACAN in Spanish 1925 GMT 30 Oct 88

[Excerpts] Panama City, 30 Oct (ACAN-EFE)—Upon arriving in Panama City today, Joaquin Villabos, one of the main FMLN leaders, stated that the Salvadoran guerrillas have "the will for dialogue and negotiation" to end the Salvadoran conflict, which has been going on since 1980 and has caused 60,000 deaths. [passage omitted]

Villalobos also stated that the "National Dialogue" document is "positive." The document was approved by many Salvadoran social organizations in September, and Salvadoran Archbishop Arturo Rivera y Damas will deliver it to the FMLN tomorrow. [passage omitted]

The guerrilla leaders did not reject the possibility of a "third round" of negotiations with the Salvadoran Government (the previous ones in 1984 and 1987 did not result in any agreements) but they added that it would be "difficult" for negotiations to take place soon.

Leonel Gonzalez, another FMLN leader who arrived in Panama today, commented: "Perhaps another type of negotiation may take place."

Gonzalez said: "We are presently in an exploratory phase," and added, "we do not have a package prepared for negotiations."

Gonzalez and Villalobos arrived in Panama accompanied by three important Salvadoran guerrilla commanders: Ana Guadalupe Martinez, Salvador Samayoa, and Miguel Varela.

Villalobos said the FMLN delegation will meet with the Salvadoran archbishop to "receive documents" and to report the results of their tour to several Latin American countries. The FMLN has stated that this tour is part of their "diplomatic offensive." [passage omitted]

Government Sends Relief Supplies to Nicaragua

PA2810125688 Panama City Televisora Nacional in Spanish 2300 GMT 27 Oct 88

[Text] In an expression of solidarity with Nicaragua because of the hard times it is experiencing, the Panamanian Government, represented by President Manuel Solis Palma, and the Panama Defense Forces [FDP], represented by their commander, General Manuel Antonio Noriega, have sent 15,000 pounds of supplies for the victims of Hurricane Joan.

The donation, which consists of clothing, blankets, medicine, and milk, was sent aboard a Panamanian Air Force plane and delivered to Managua by Lieutenant Colonel Virgilio Mirones, G-5 of the FDP General Staff, and Major Cesar Dominguez, chief of Military Engineering.

Nicaraguan civil defense, transportation, construction, health, and housing authorities received the relief items on behalf of the Nicaraguan people. The Nicaraguan cities most severely stricken by the hurricane are Bluefields and Corn Island, where over 60 people died and 300,000 were left homeless.

PDC Proposes FDP-Opposition Dialogue

PA2910003488 Panama City MEDIODIA in Spanish 28 Oct 88 p 2

[Text] The Christian Democratic Party [PDC], through its president, Dr Ricardo Arias Calderon, has proposed that a national dialogue be held between the opposition and the Panama Defense Forces [FDP] on 3 November, the 85th anniversary of Panama's independence.

Arias Calderon's proposal was approved by the PDC National Directorate in a recent meeting in Santiago, Veraguas Province.

The opposition politician told his fellow party members that he "wants to find a national democratic solution through dialogue."

"This solution is possible," the PDC leader said, "if the FDP and the democratic opposition forces directly commit themselves to it and if respect for basic constitutional rights is guaranteed."

Dr Arias Calderon issued "a patriotic call to the FDP so that it will accept this commitment and so that a dialogue can begin at the latest on 3 November, the date of our independence."

The PDC president proposed that, subject to the approval of the military and the opposition, "the church and Apostolic Nuncio Msgr Sebastian Laboa" serve as mediators in the dialogue.

He also said that a "democratic solution would immediately lead to a joint effort in urgently rebuilding the economy, something to which the United States must contribute with a renewed spirit of understanding between our countries, always with an eye to the total fulfillment of the Torrijos-Carter treaties."

Meanwhile, various politicians today reacted to Arias Calderon's proposal.

Luis Gaspar "Toti" Suarez, president of the Revolutionary Panamenist Party, said his organization "is always open to a dialogue without conditions, but the opposition must understand that it cannot expect to come from nowhere to power."

"We are open to a dialogue, but I can guarantee that nothing can be achieved with the opposition because it has no leadership and is in a very sorry state," "Toti" Suarez said.

Eduardo Rios, president of the Democratic Party of Workers, said "any date within 30 days is fine." We support the CONATO's [National Council of Organized Workers] demand that the government and the opposition reach an agreement before 15 November, but with the participation of the workers groups, he said.

When asked about the PDC president's proposal, Luis Gomez, PRD [Democratic Revolutionary Party] member and former president of the Legislative Assembly, said "the much talked-about dialogue is no longer a demand but a necessity. I think it should be held between the opposition and the government on 3 November or another date so we can overcome the country's economic crisis."

Legislator Mario J. de Obaldia, member of the Authentic Liberal Party, disagreed with the PDC proposal, stating that "the FDP's duties do not include promoting meetings or political agreements."

Comptroller Cites Problems in Covering Expenses

PA2910172388 Panama City MEDIODIA in Spanish 28 Oct 88 p 7

[Text] Panamanian Comptroller General Francisco Rodriguez has said that government revenues have suffered a 40 percent drop in the first 9 months of this year

According to the government official, the state only received 440 million balboas of the 770 million balboas it expected to collect during this period.

Rodriguez said that the 330-million balboa loss has caused the government problems in covering its commitments.

The comptroller general added that despite the crisis, the government considers covering government workers' wages and social security payments and providing health and education services as priorities.

Banking Official Discusses Economic Situation

PA2910003288 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Oct 88

[Interview with Mario de Diego, executive secretary of the National Banking Commission, by unidentified reporters; date and place not given—recorded]

[Text] [De Diego] We are studying various formulas to free restricted bank funds, even if only partially. The National Banking Commission will be studying them soon, especially in view of the upcoming national holidays, which always imply additional spending.

[Reporter] Can you give us any indication what the formulas are?

[De Diego] No, not until we have them laid out.

[Reporter] The fees being charged to cash some CEDIS [Investment Certificate Bonds] in certain places are abusive. Does the Banking Commission have any control over this?

[De Diego] CEDIS are nothing more than negotiable financial instruments that go by free market rules, as in any free financial market. Put simply, it is a negotiable document, just like a bond. A bond is a negotiable document. Today, within the Panamanian bond market—government bonds that is—you will find bonds that are negotiated at different prices, because as a negotiable instrument they are subject to the rules of a free market. Each CEDIS is different. Not all CEDIS are alike. The terms and interest rates under which they were issued vary. All this comes into play in arriving at their prices in the financial market.

[Reporter] Can you tell us in what ways the Panamanian banking system has improved and where it is headed? It has been said that a great number of banks have left Panama with others planning to close. How much has the banking system really recovered?

[De Diego] The truth is that a great number of banks have not left Panama. This is totally false. Three banks have closed here, but they had been planning to do so for more than a year. They closed because of the debt situation of the Southern Cone countries, which affected the banks' international operations since these banks handled loans to these countries from their Panama branches.

[Reporter] How many more banks are scheduled to close within the next few days, months, or years?

[De Diego] As far as we know, no other bank is scheduled to close.

[Reporter] Can the Banking Commission confirm a possible economic reactivation at the local level?

[De Diego] I cannot confirm this, but we expect economic activity to increase since this time of year is normally a period during which the pace of economic activity rises. Some recovery will probably take place—at least in certain sectors.

[Reporter] Would bank mergers cause a lot of unemployment within the national banking system?

[De Diego] We should not think that way. We believe it is possible to consider mergers of certain small banks to create more powerful banking organizations that are more capable of attending to national needs.

Argentina

Alfonsin Returns From Group of 8 Summit

PY2910181288 Buenos Aires TELAM in Spanish 1759 GMT 29 Oct 88

[Text] Buenos Aires, 29 Oct (TELAM)—President Raul Alfonsin arrived at the Metropolitan Airport at 1450 [1750 GMT] from Punta del Este, Uruguay.

At the Uruguayan seaside resort Alfonsin participated with six other Latin American presidents in the second meeting of the Group of Eight.

World Bank Approves $1.2 Billion in Loans

PY2810031688 Buenos Aires Argentina Televisora Color Network in Spanish 2300 GMT 27 Oct 88

[Text] The World Bank today approved a package of loans totaling $1.252 billion for Argentina. This is the largest package ever approved by the World Bank board of directors at a single meeting, it has been officially reported.

The package includes a $300-million loan for promoting foreign trade policy; a $252-million loan for the energy sector; a $300-million loan for housing; and a $400-million amendment to a loan granted earlier to restructure our financial system.

Christian Democratic Party President Resigns

PY3110021188 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2144 GMT 29 Oct 88

[Excerpts] Cordoba, 29 Oct (NA)—Christian Democratic Party [DC] President Carlos Auyero resigned his post a few hours after the DC national convention decided to join the electoral front that the Justicialist Party [PJ] and other political forces created to support the presidential ticket of Carlos Menem and Eduardo Duhalde.

Auyero resigned when he realized that 75 delegates voted for the decision to join the front as opposed to 41 who rejected the proposal on the grounds that Carlos Menem's leadership within the PJ does not offer "enough guarantees" for the fulfillment of the DC program. [passage omitted]

Auyero will now try to create a so-called "Social Front" with other center-leftist political parties and supporters linked with intermediate organizations mainly performing sociopolitical activities in neighborhoods, especially in Greater Buenos Aires. [passage omitted]

CNEA Signs Agreement With Soviet Company

PY2810183188 Buenos Aires TELAM in Spanish 1650 GMT 27 Oct 88

[Text] Buenos Aires, 27 Oct (TELAM)— The CNEA today signed an agreement with the Soviet company Teckmasheksport for enriching a shipment of Argentine uranium to a concentration of 20 percent.

As soon as this uranium is sent back to Argentina, it will be used to produce fuel for the R.A.3 radioisotope producing reactor of the Ezeiza nuclear plant.

The CNEA has issued a communique stating that this agreement is part of the Argentine-Soviet cooperation for the peaceful use of nuclear energy.

The communique says that the enrichment service was requested in view of the delay in completing the construction of the Pilcaniyeu uranium enrichment plant.

This delay has been caused by the lack of funds allocated for the construction of the plant because of the strict budget restrictions that have been adopted in view of the financial-economic situation of the country.

The communique concludes by saying that, because of the delay, the production of uranium is still insufficient to meet the domestic demand and to comply with the contracts signed with foreign countries.

Brazil

Complaint of U.S. Measures Brought Before GATT

PY2810012988 Brasilia Domestic Service in Portuguese 2100 GMT 27 Oct 88

[Text] Brazil has brought a complaint against the United States before the GATT organization in Geneva. Brazil accuses the United States of violating GATT regulations by increasing taxes on Brazilian imports.

The (?complaint) was presented today before the controlling committee [comite de vigilancia] of the GATT by Brazilian Ambassador Rubens Ricupero.

A week ago, President Reagan announced an increase on taxes on certain Brazilian imports in retaliation for (?an alleged lack of) patents for the production of medicines in Brazil.

Sarney Asks for Support

PY2810175688 Madrid EFE in Spanish 1536 GMT 28 Oct 88

[Text] Punta del Este, Uruguay, 28 Oct (EFE)—Political sources have reported that Brazilian President Jose Sarney has asked for the solidarity of the other Group of Eight presidents with Brazil regarding the trade sanctions decreed by the United States.

Members of the Brazilian delegation stated that Sarney's request was "received positively." They said that they trust that Latin America will support the Brazilian position at GATT.

Sarney made the request during the first work meeting of the Group of Eight presidents, who are debating regional integration problems in Punta del Este, where the second meeting of the group is being held.

The U.S. Government decided to double the taxes on Brazilian imports in retaliation for the Brazilian refusal to respect the patents of U.S. chemical and pharmaceutical products manufactured in the country.

Brazilian sources stated that the Brazilian Government hopes to be able to prevent the U.S. trade sanction from becoming effective in 2 weeks time.

Chile

Pinochet Addresses Supporters in Arica

PY2910022088 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 28 Oct 88

[Text] Last night President Pinochet reaffirmed in Arica that the Constitution is nonnegotiable and that the Armed Forces and the Forces of Order have committed themselves to respect it.

The president said this during a dinner that representatives of various sectors hosted in his honor at the local municipal club. The president said the government and its supporters lost the plebiscite because they fought cleanly and honestly, abiding by inalienable ideals and principles.

He stressed that the opposition had the support of world powers and institutions that he labelled holy [as heard], and of unprincipled politicians who have repudiated Marxism in the past but today go arm in arm with it. He went on to call upon all his supporters to remain united in order to deal successfully in what he called the second round. He reiterated that the Constitution and the timetable contained therein will be complied with without hesitation and that ongoing projects must be continued because it is impossible to stop the country's development and progress. He continued:

[Begin Pinochet recording] Undoubtedly, our current situation is sensitive. I would not be my usual sincere self if I were to say otherwise.

I see with growing concern that the very same political approaches that in the past led this country to an unprecedented crisis are being advocated today. Worse still, the advocates are the very same people who destroyed this fatherland and its democracy just 15 years ago.

Ladies and gentlemen, the causes that led to the confrontation among Chileans cannot be allowed to reappear. We must realize in time the threat looming over us and call up our patriotism to deal with this difficult situation.

The government is being criticized for remaining faithful to the constitution. However, only total compliance with this constitution can guarantee that we avoid the anarchy and chaos into which alien forces are trying to plunge us.

Only 6 days ago I publicly urged the opposition to clarify whether it is going to respect the constitution or continue calling for a breach of institutional order, as they have done many times.

I plan to continue asking them to adopt a clear-cut attitude until they give the Chilean people a straightforward answer, one that assures the people that social peace and institutional stability are preserved.

My commitment, and that of the Armed Forces, is not subject to interpretation. As we have said before, we do not want tricky or confusing statements. We want clarity. It is not our habit to play on words so that we can change their meaning later.

Our commitment is to enforce the constitution, which cannot be changed in the slightest. [applause] This constitution will stand as it is.

We do not oppose change, as some people want everyone to believe. The timetable and the provisions set forth in the constitution guarantee the establishment of full democracy. If we really want to attain full democracy, we must follow the course set by the constitution and the laws. This is what we and the majority of Chileans want. [applause]

From this podium, surrounded by all these friends, I call on my fellow countrymen to continue advancing to obtain for Chile its rightful place in the world. I urge them to abide by the laws and to thwart any attempts to resurrect totalitarian doctrines that contradict the love for freedom that the Chilean people have shown from the very beginning. Viva Chile. [applause] [end recording]

Meets Arica Young People

PY2910110888 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 28 Oct 88

[Text] This morning President Augusto Pinochet had a frank talk with young people from Arica. The meeting, which the participants described as extremely cordial, was held at Laspapa and was attended by the ministers and under secretaries who traveled with the head of state on his tour through the first region and by local authorities, headed by the regional superintendant.

The youth, affiliated with various political parties and movements that supported the yes-vote in the recent plebiscite, told the president that they intended to stay united and work to publicize his government's achievements.

Later the president chaired a meeting in which he was briefed on the regional situation and current development programs under way. The head of state heard various proposals and ordered local authorities to emphasize all the initiatives that will bring progress to the zone.

During a luncheon with officers from the Arica Military Garrison, Pinochet said Chile is constantly moving in the direction established by the Constitution. This direction leads toward the democracy that we once defended against the totalitarian evil and that we have sworn to reestablish, as written in the first Government Junta Act. We are doing this with the carefulness the times demand.

[Begin Pinochet recording] I am moved at this time by no other spirit than to fulfill what has been promised, and above all by the spirit of a good patriot. This land, my fatherland, is what most stirs my sentiments. As a man of arms, nothing gives me more satisfaction thank to think of Chile's future. I have no political party; I am neither from the right nor the left. My party is Chile.

That has motivated me all these years. I may have committed errors; in fact, I am sure I did. But nobody can accuse me of looking out for personal interests, of disregarding the common good. This is why the country has progressed. We have a country that is forging ahead, and nobody can argue that point. We can add that this is recognized abroad, in case we want to please those who are so concerned about the opinion of foreigners. So let us take advantage of what we have accomplished.

I ask you, officers and ladies, to continue your work in pursuit of our great destiny—that which Chileans are called upon to bring to pass. Let us improve those things that need to be improved, but let us not give in to demagogic, unfounded, and irrelevant promises. [Applause]. [end recording]

Labor Union Rejects National Strike Proposal

PY3110004188 Madrid EFE in Spanish
1606 GMT 30 Oct 88

[Text] Santiago de Chile, 30 Oct (EFE)—The Central Labor Union (CUT), the largest Chilean union, has rejected a proposal submitted by sectors linked to the outlawed PCCH to immediately stage a large-scale general strike to demand "a quick return to democracy."

This information was confirmed today by CUT leaders, who added that after a day of heated debate, more than 130 rank-and-file organization leaders from around the country approved the proposals submitted by the center-leftist, more moderate sectors.

The meeting of the Council of Confederations, Federations, Associations, and National Unions (CONFASIN), which was held on 29 October in Santiago, agreed to remain "on the alert for social and political developments."

CONFASIN approved a plan proposed by the center-leftist forces in which they were asked to "coldly analyze" the current Chilean situation and "to begin preparing" for a "successful" call for a huge general strike.

CUT has called for a rally in Santiago on 6 November, the first rally the labor sectors will have held since the 5 October plebiscite, which was won by the option that opposed President Pinochet's candidacy in the presidential elections.

The rally will be held in a large area in western Santiago to express the workers support for CUT President Manuel Bustos and CUT Secretary General Arturo Martinez, both of whom have been sentenced to internal exile in rural Chilean townships.

The socialist and Christian Democratic parties rejected the called for strike proposal on the grounds that the country is going through a period in which political dialogue should be promoted for a peaceful transition to full democracy.

Acting CUT President Diego Olivares said that "we have never ruled out the possibility of a national strike, but only if it will clearly favor the return to democracy—not as an excuse for repression or propaganda by the military regime."

Olivares added: "We will continue to hold dialogue with all sectors, including businessmen. We want answers before deciding to begin social mobilization."

United Left President Clodomiro Almeyda Resigns

PY3010212188 Madrid EFE in Spanish
2221 GMT 29 Oct 88

[Text] Santiago de Chile, 29 Oct (EFE)—Clodomyro Almeyda, until today the president of the United Left [IU], which is a coalition of Chilean Marxist parties, has given the IU leadership to Anibal Palma, Democratic Socialist Radical Party member, for an unspecified period.

Opposition leaders confirmed today that Almeyda, former foreign minister under late President Salvador Allende's administration, said he gave the IU leadership to Palma because "he has played an important and efficient role."

Almeyda, recently released from jail, has been forbidden by the constitutional tribunal from engaging in political activities for 10 years over charges of spreading doctrines that jeopardize state security.

Almeyda said he hopes that "a new political dialogue" will be promoted within the coalition, in keeping with the demands of the current situation.

New Interior Ministry Under Secretary Installed
PY2910124988 Santiago Domestic Service in Spanish 0930 GMT 29 Oct 88

[Summary] In a ceremony at La Moneda Palace, Interior Minister Carlos Caceres installed Gonzalo Garcia Balmaceda as Interior Ministry under secretary, replacing Alberto Cardemil.

Colombia

Barco News Conference on Death Squads, Democracy
PA2910202788 Bogota Inravision Television Cadena 1 in Spanish 1808 GMT 29 Oct 88

[Report on news conference with President Virgilio Barco by unidentified reporters following conclusion of Group of Eight meeting in Punta del Este, Uruguay on 29 October]

[Text] The second meeting of the so-called Group of Eight concluded today in Punta del Este, Uruguay. After the Uruguay Declaration was signed, the presidents hosted a news conference. Colombian President Virgilio Barco answered a Uruguayan journalist's question on the current situation in our country:

[Begin recording] [Reporter] The situation in your country is very serious. Thousands are dead, paramilitary death squads go unpunished despite their murders of Patriotic Union [UP] members and popularly elected legislators. Mr President, how can you explain this situation and how can you reconcile the situation existing in your country with your affirmation of the existence of democracy? Thank you.

[Barco] I do not believe your question is relevant to the composition and purpose of the Group of Eight meeting. The question arises from a lack of information. Colombia is a democracy, supported by a professional Armed Forces. The soldiers are Colombians who are complying with the requirement to perform military service. They are youths from all groups, from the rural areas, the cities, and from all political parties. The officers are professionals, and they do not follow militarist doctrines.

The Armed Forces members who have participated—may I add on an individual and personal basis—in any human rights violations are under investigation, will be arraigned before a military court, and many of them have been expelled. Civil courts have been notified of some of those crimes, and some arrest warrants have been issued. Military justice authorities are also conducting legal actions. [end recording]

During the same news conference this morning, President Barco notified journalists that last Thursday's strike had been an attempt by armed rebel groups against democracy. He also said that the press censorship decree was no longer valid.

Military To Prevent ELN Attacks During Strike
PA2810145188 Bogota Emisoras Caracol Network in Spanish 1225 GMT 28 Oct 88

[Text] Medellin—General Jaime Ruiz Barrera, 4th Brigade commander, described the strike called by various labor unions as a complete failure. He further claimed that the outcome turned out to be a very positive one for police authorities.

The military official said that the police were able to obtain valuable information beforehand concerning plans designed to disrupt public order, adding that it was this information that allowed them to counteract terrorist actions.

According to the commander's report, ELN [Army of National Liberation] subversives had planned simultaneous attacks against military garrisons and government offices. He added that the actions planned for last night included attacks against the 4th Brigade, the Girardot Battalion, the Manrique police station, and the departmental headquarters at Alpujarra.

Ruiz Barrera said that 64 people were arrested in various operations. Some of those arrested were carrying explosives and others confronted the police.

According to Antioquia Governor Antonio Roldan Bethancourt, special judges have been appointed to evaluate the cases of those arrested and to begin a trial against them in accordance with antiterrorist legal statutes.

Authorities Seize Arsenal, Arrest 30 in Barranquilla
PA2910032288 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 29 Oct 88

[Text] As a result of intense patrols in the Atlantic coast region, the authorities today were able to display in the city of Barranquilla an arsenal recently seized in various parts of that region. The subversives were ready to carry out terrorist actions, the authorities have said.

The 2d Army Brigade, headquartered in Barranquilla, today listed all the materiel seized from subversives on 26 and 27 October. There is enough dynamite to blow up six electric towers. There are Molotov cocktails, ammunition, handguns, subversive propaganda calling for support for the 27 October strike, and camouflage uniforms, boots, and caps.

Thirty persons were arrested during this operation in the Atlantico and Magdalena Departments. They will be arraigned before special courts.

A 2d Army Brigade spokesman said the subversives were arrested thanks to the effective work of the state security organizations, which were alert before, during, and after the unsuccessful strike organized by the United Workers Confederation.

Defense Ministry Reports Guerrilla Offensive

PA2910041088 Madrid EFE in Spanish 0310 GMT 29 Oct 88

[Text] Bogota, 28 Oct (EFE)—The Defense Ministry has reported that the Colombian guerrillas have launched their biggest offensive in recent years against police stations and Army bases in Apartado, Carepa, Turbo, Nueva Colonia, and Arboletes in the northwestern region of Uraba. The source said the initial death toll is eight rebels and one soldier.

The guerrilla offensive is part of a strategy involving simultaneous attacks on police posts, military bases, and towns. The implementation of the strategy began on 5 October in the Magdalena area, in the country's central region, when guerrillas attacked three police posts and a military base.

The communist FARC and the Maoist Popular Liberation Army today attacked Apartado and Carepa after having dynamited a bridge over the Grande River, preventing the dispatch of military reinforcements, a Defense Ministry spokesman told EFE.

The official source said that eight guerrillas died in Apartado and that one soldier died in Carepa. The source said the results of the clashes in Nueva Colonia, Turbo, and Arboletes are unknown. The source noted that Arboletes was attacked by 400 rebels who seized the mayor's office.

Another military source reported that the banana port of Turbo, in the Gulf of Uraba, was attacked by 500 guerrillas who seized some official buildings and are fighting National Police and Marine units that are defending that city.

The guerrilla offensive comes 1 day after the general strike called by the country's three most important labor unions. As a result of the strike, three people died, some bridges were destroyed, and several northern Colombian cities were left without electricity because of attacks on power towers.

Approximately 100 persons, including rebels, soldiers, policemen, and civilians, have died since 24 October as a result of clashes in the Uraba region and in the Antioquia, Huila, Cordoba, Santander, Caqueta, and Magdalena Departments.

Troops Sent to Uraba; Emergency Measures Planned

PA2910174288 Paris AFP in Spanish 1615 GMT 29 Oct 88

[Excerpts] Bogota, 29 Oct (AFP)—Military troops were deployed today to the Colombian banana-growing region of Uraba in the northwestern part of the country, while the government is preparing special measures to face the state of war that has prevailed in the region since last Thursday as a result of subversive actions.

The nationwide strike on 27 October, called by leftist labor organizations, paralyzed banana production in Uraba, where the guerrillas escalated terrorist actions. The escalation of violence has resulted in the isolation of the region from the rest of the country and a scarcity of food and fuel throughout the region.

Antioquia Governor Antonio Roldan described the situation in the banana-growing region as "a state of war, chaos, and vandalism."

The leftist Popular Liberation Army (EPL) and the FARC blew up several bridges, raided four townships, blocked highways, burned several farms, and destroyed machinery, vehicles, and administrative facilities.

In view of this situation, banana growers have announced the suspension of banana exports and have demanded that the government adopt strict measures to cope with the seriousness of the situation in this region that borders Panama. [passage omitted]

It has been learned that within the next few hours, the government, headed by Acting President Cesar Gaviria, will announce a package of emergency measures. President Barco, who attended the Group of Eight meeting in Punta del Este, Uruguay, is expected to arrive in Bogota tonight.

Political Violence Continues in Antioquia

PA3110043488 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 31 Oct 88

[Text] Luis Eduardo Oristizabal, a 48-year-old Liberal Party councilman, was murdered today in Carepa, Antioquia. Oristizabal was shot by unidentified men while driving through town.

Meanwhile, two bombs exploded at the Patriotic Union [UP] headquarters in Chigorodo, Antioquia. UP Secretary Oscar Calle was in the building but was not injured.

Rebels, Traffickers Hijack Venezuelan Plane

PA3010023788 Buenos Aires REUTER in Spanish 0143 GMT 30 Oct 88

[Text] Caracas, 29 Oct (REUTER)—Top police officials stated today that Colombian rebels and drug traffickers hijacked a Venezuelan plane to Colombia, where they released the plane's crew.

Mauro Yanez Pasarella, Venezuelan technical judicial police director, told newsmen that two crew members of the Aerocommander plane were being questioned by police officials to obtain more information about the strange incident.

The police officer did not provide further details on the case.

Captain Alejandro Villanueva Perez, 44, and copilot Antonio Jose Anton Viloria, 23, appeared yesterday in the town of Samariapo, in the Amazonas Federal Territory.

They said they had been hijacked and left at a landing strip near the Colombian town of Narino. They said they had to walk back to Venezuela with the aid of Indian guides.

The plane left Caracas' Metropolitan Airport on 14 October for Yutaje, Amazonas. It was carrying five passengers on a tourist trip.

Venezuelan security officials have started searching for the plane and its crew. [sentence as received] Colombian officials are cooperating.

Officials are operating under the theory that the plane was hijacked by drug traffickers. If that is the case, this would be the third time something like this has happened in Venezuela.

Attorney General Serpa on Paramilitary Groups

PA2810135088 Bogota EL SIGLO in Spanish 24 Oct 88 p 2-A

[Interview with Attorney General Horacio Serpa Uribe by unidentified Bogota Emisoras Caracol Network reporter; date and place not given—all quotation marks as published]

[Excerpts] [Serpa] "We only know that paramilitary groups exist. These are groups of people that injure people, attack other groups of people, and attack large parts of the population—under the pretext of carrying out justice on their own or trying to carry out a counterrevolution. It is a deplorable situation. The monopoly on the use of firearms must belong to the institutional forces. This also holds true for violence in the figurative sense."

"There was nothing new in the congressional debates. On the one side, there was the minister's statement—his true statement that some paramilitary groups have been dismantled. It is obvious, however, that other groups have increased and have become stronger and more vigorous. Just look at the murders. They began in 1988, and most of them are justly attributed to paramilitary groups." [passage omitted]

[Caracol] Do you know how many paramilitary groups are left; how many have appeared?

[Serpa] "The numbers are difficult to estimate. There is no way of determining this or of the number of people involved. We do know what areas they cover and where they operate: Uraba, Magdalena Medio, Cordoba, and some other areas. It is obvious they have increased. It is also obvious their activities are criminal and illegal. Use of violence, whatever the political persuassion, is criminal; it hurts national interest and it is against the law—the authorities have the obligation to fight them."

[Caracol] Who supports the paramilitary groups?

[Serpa] "They have different origins. One of the reasons they exist is because this route has been tried in a political way to create a counterrevolution—to attempt to halt insurgent groups in Colombia.

There are also those who stupidly believe that by financing these organizations they are going to safeguard their economic interests. This is why they make a sort of investment to ensure their capital and privileges, which they consider endangered by seditious activities, remain safe.

It is obvious there are groups that receive "hot money" support. There are groups of citizens that react in defense of the atrocities and abuses of those who form these groups, who use violence to impose their political beliefs."

"I have noticed that in the same proportion revolutionary groups create violence in Colombia and hurt the interests of these citizens, paramilitary growth is encouraged. Of course, none of this is justifiable.

The government has the means to fight those who hurt Colombian laws and interests. I cannot justify the existence of paramilitarism. I have to be clear that neither do I justify violence being used to try and vindicate the people. I do not justify the use of violence by any of the sides."

[Caracol] Did the government minister accuse the Patriotic Union [UP] in Congress for encouraging violence?

[Serpa] "I believe the UP is a democratic left-wing political organization that has taken up democratic procedures and wants to modify the system through respectable ways. That is why they are in opposition, but that is a right. Nonconformity is a right the authorities are obliged to respect. I still believe the UP has no links with violent political organizations."

[Caracol] As one of your predecessors in your post did, will you dare disclose the names of those who belong to paramilitary groups?

[Serpa] "As a justice department agent, I watch what I say, because I am obliged to. That is why I accepted the post of attorney general. I have to give the country rulings and decisions concerning anything that involves

the Attorney General's Office or anyone with government ties who might be involved. I shall of course do this whenever required and whenever it can be proved; the best way of doing this is by asking." [passage omitted]

Purchase of Israeli-Made Jets Criticized

PA2910003988 Bogota EL SIGLO in Spanish 25 Oct 88 p 8-A

[Unattributed article: "Purchase of Kfir Aircraft Criticized"]

[Excerpts] The Second Commission of the Chamber of Representatives will discuss behind closed doors a contract to purchase 13 Israeli-made Kfir C-2 air defense and ground attack aircraft. The contract, signed between Colombia and Israel, was authorized by Colombian Defense Minister Rafael Samudio Molina when he visited Israel 2 weeks ago. [passage omitted]

Sources close to the Foreign Relations Ministry have also reported that the approximately $220 million contract includes special payment terms, the effects on the national economy have yet to be determined. In making this purchase, the Colombian Government has been accused of purchasing obsolete aircraft similar to the French-made Mirage fighter aircraft, which Colombia has had for the past 14 years. These planes have even had to be towed on occasion from one location to another.

The country long ago learned about the negotiations to buy the Kfir aircraft. Colombian pilots have been trained in Israel for more than 1 year. Nevertheless, the presence of rebels throughout the Colombia seems to indicate that these planes are not suitable for this country since they have never been tested in antiguerrilla warfare. Ecuador is the only South American country currently using this type of fighter aircraft.

Peru

Garcia, Barco To Cooperate in Fighting Drugs

PY2910125088 Lima Domestic Service in Spanish 1030 GMT 29 Oct 88

[Text] The Peruvian and Colombian presidents have agreed in Punta del Este to jointly fight and reduce drug trafficking. President Alan Garcia pointed out the importance of creating a binational committee to fight drug trafficking:

[Begin Garcia recording] I have held a very important meeting with President Barco to discuss matters of mutual interest and we have decided to jointly fight drug trafficking. We also agreed on the necessity to create a strong binational committee to fight drug trafficking. For this purpose, our justice and interior ministers will meet with police and intelligence officials to coordinate efforts. We must work together to fight this horrible scourge. By doing that, we will render a great service to mankind. [end recording]

Colombian Drug Traffickers in 'White Triangle'

PY2810174488 Madrid EFE in Spanish 0011 GMT 28 Oct 88

[Text] Lima, 27 Oct (EFE)—General Felix Nunez Torres, chief of the Investigative Police Antinarcotics Division, today said that at least 172 people have been killed in the last few months by Colombian drug traffickers, who operate in the "White Triangle," located in the northern Peruvian jungle.

Torres said that the gang has sold more than 28 tons of cocaine hydrochloride worth more than $100 million in Europe and the United States.

Nunez added that the Colombian drug traffickers arrived in the jungle townships of Tingo Maria, Tocache and Uchiza, where they set up "mobile" laboratories to process the drug. The police have been unable to close these laboratories since their locations are constantly being changed.

Nunez said that the manpower and the chemicals to process the drug are cheaper in the "White Triangle" area. He added that in the last few months, 47 people have been killed by drug addicts in Lima, while the lack of drugs has caused 23 youths to commit suicide.